

INTERNATIONAL Herald Tribune

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PARIS, FRIDAY, DECEMBER 10, 1976

Established 1887

Photage Flow Water Lisbon

By Marvin Howe

LONDON, Dec. 9 (UPI).—A

full bomb explosion early

slashed Lisbon's water sup-

ply and heightened tension

in days before crucial

elections.

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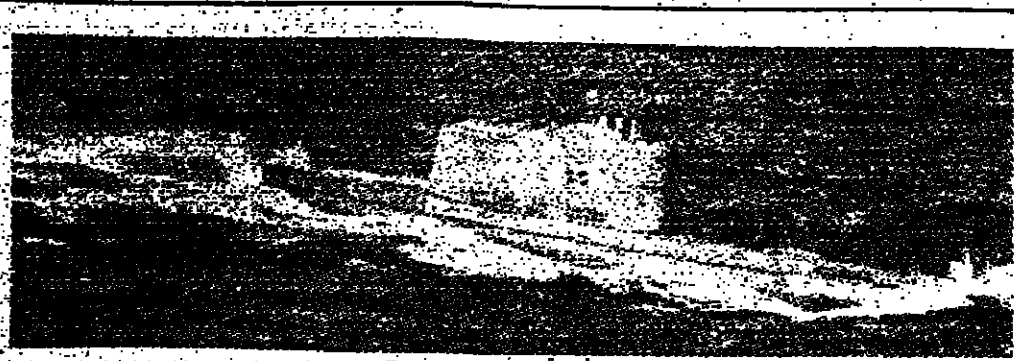
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A Golf-class Soviet missile submarine, the type sought by the Glomar Explorer.

How CIA Sub Salvage Failed

By Seymour M. Hersh

NEW YORK, Dec. 9 (UPI).—

The CIA's attempt in July,

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marine failed when an error in

judgment resulted in damage

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Setback Is Laid

To the Misuse

Of Giant Claw

built under elaborate cover and

was considered under the code

names Azorian, Jennifer and

Matador—to be one of the gov-

ernment's highest-held secrets.

In a series of interviews, the

Collier brothers provided a

detailed account of the opera-

tion's basic failure—the inability

to retrieve all of the submarine,

including the code room and

three nuclear-tipped missiles—

which was independently verified

by The New York Times in

interviews with another crew

member and high government

officials with first-hand knowl-

edge of the operation.

The Collier brothers' descrip-

tion of the unsuccessful mission

is at variance with published

reports, including one in Time

magazine alleging that the CIA

operation did recover all of the

(Continued on Page 4, Col. 3)

Major Deflation Drive Not Foreseen

British Cabinet Devises Plan

To Qualify for Big IMF Loan

LONDON, Dec. 9 (AP-DJ).—

The Cabinet reached basic agree-

ment today on the economic

measures it will put into effect

to meet the conditions of the In-

ternational Monetary Fund for

permitting Britain to use its re-

maining \$3.5-billion credit.

A government spokesman said

that the Cabinet's decision was

reached at a 2 1/2-hour meet-

ing of the Cabinet, the eighth

session devoted to working out

the details of the package. Some

minor questions still have to be

resolved, but they will not require

approval by the Cabinet, a source

said.

It was indicated after the meet-

ing that the measures not only

will satisfy the conditions for the

IMF loan but also will provide ac-

ceptable to Parliament, which has

opposed any suggestion of a major

drive for deflation.

The government's negotiations

with the IMF have lasted more

than a month, far longer than

had been expected, and specula-

tion has been that the loan was

being used to finance the govern-

ment's plan to cut its budget.

However, the program that Mr.

Healey will announce Wednesday

is now expected to be far less

deflationary than was forecast. In

fact, Mr. Healey told Parliament

at the end of last month that

the IMF was not seeking a far-

reaching deflationary program in

connection with the loan, and

that any such measures would

probably be phased in over several

years to avoid a disruption of the

British economy.

Government officials apparently

have been successful in con-

vincing the IMF that large cuts

in public spending would run

counter to their goal of reducing

inflation. The IMF's position is

that any such measures would

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UN Vote Asks

Reopening of

Mideast Talks

UNITED NATIONS, N.Y., Dec. 9

(UPI).—The General Assembly

called today for resumption of

the Geneva conference on the

Middle East by next March, with

the Palestinian Liberation Organi-

zation participating.

The United States stood by Is-

rael in opposing PLO participa-

tion and rejected a March dead-

line for the peace-seeking talks.

Ambassador William Scranton ex-

plained that with President-elect

Jimmy Carter's administration

taking over in January, Washing-

ton does not consider it appro-

priate now to commit itself to

such a move.

But sources close to the U.S.

delegation said that to the best

of their knowledge, Mr. Scranton's

negative vote on two Arab-backed

resolutions was not checked out

with Mr. Carter's transition team,

which is arranging the take-over

from President Ford's adminis-

tration.

The Assembly's decision was

reached after Israel withdrew a

resolution—the first it had sub-

mitted in UN history—calling for

an early resumption of the Ge-

neva talks without PLO partici-

pation. This had been countered

by an Arab-inspired amendment

that would have called for a seat

for the Palestinian organization.

The world body then approved,

122-3 to 3 abstentions, a resolu-

tion that originated with Egypt

but was sponsored by nonaligned

powers. It called on Secretary-

General Kurt Waldheim to press

his contacts with "all the parties"

to the Middle East conflict and

submit his findings to the Secu-

rity Council not later than next

March. It also called for recon-

vening the Geneva talks, under

the chairmanship of the United

States and the Soviet Union,

by the end of March.

A second resolution, sponsored

by nonaligned countries but

originating with Syria, was ap-

proved 91-11, with 3 abstentions.

It called for PLO participation

in an early resumption of the

Geneva talks and condemned

Israel's continued occupation of

Stalled Rhodesia Conference To Adjourn

GENEVA, Dec. 9 (UPI).—The

Rhodesia conference began to



London's last great hotel?

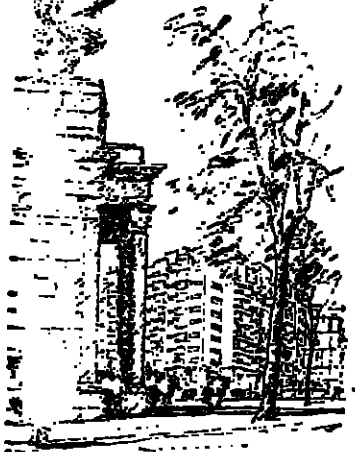
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Mostly Political Unknowns

Lebanese Premier Appoints 8-Man Technocrat Cabinet

BEIRUT, Dec. 9 (UPI).—Premier Selim al-Hoss today announced formation of an eight-man Cabinet of technocrats to preside over the reconstruction of Lebanon after a year and a half of civil war.

Leading political and military personalities of the war were conspicuous by their absence. All but two of those named were political unknowns.

The Premier, a conservative Moslem, also took the ministries of trade, economy, industry and oil and information.

Two other important posts, foreign affairs and defense, were entrusted to Fuad Butros, a 58-year-old Greek Orthodox, who is the only man with extensive previous political experience in the new Cabinet. He has served as a parliament deputy and in a variety of

ministerial positions during the term of the late President Fuad Chehab from 1953 to 1964.

The Cabinet also included six other ministers of various religious sects, in conformity with the nation's long tradition of distributing government posts on a sectarian basis.

Under this system, the president of the republic has always been a Maronite Christian, the premier a Sunni Moslem and the speaker of the House of Deputies a Shia Moslem.

Moslem leftists have demanded the reform of this political formula in favor of proportional representation. They object that it concentrates too much power in the hands of the Christians, who also usually obtained senior army posts.

Besides Mr. Hoss and Mr. Butros, the line-up included a Druze, Salah Salameh, as minister of interior and of housing and cooperatives. He also served in the government of former Premier Saeb Salam in 1970.

The portfolios of health and hydroelectric resources went to a Moslem Shia, Ibrahim Shaito, while public works, transport and tourism went to Amin Blazi, a Sunni Moslem.

The new minister of planning will be Michel Doumit, a Maronite Christian, and a Greek Catholic Assad Rizk, became minister of labor and social affairs as well as of education and agriculture. The portfolios for the Ministries of Justice, Finance and postal service were put in the hands of Farid Rafaei, a Maronite Christian.

Remilitarization Goal
"The government will be one of remilitarization," Mr. Hoss said after his appointment last night. He told reporters that the reconstruction process "will be long and requires patient effort and persistence."

The new Cabinet held its first working session for an hour and 15 minutes. A statement issued afterward said the eight men discussed "urgent social and economic questions for the rebuilding of the country."

Although no reliable estimates are available yet as to the extent of damage and costs of reconstruction, the rebuilding program could cost more than \$5 billion, according to conservative estimates.

Politicians generally regarded the prospect of a Hoss government of technocrats as a stopgap measure until quarrelling Moslem and Christian leaders can settle on a new political formula for the country.

The independent newspaper *Al Nahar* said the new government would ask the long-paralyzed parliament for special powers to rule by decree and declare martial law.

Schmidt Assailed Over Report of Pension Freeze

BONN, Dec. 9 (Reuters).—Chancellor Helmut Schmidt's government was accused today of breaking a pre-election pledge to give 11 million pensioners a 10-per-cent rise in benefits next year.

The opposition Christian Democratic Union, labor groups and pensioners' organizations said the government had deceived people by promising them more money when seeking re-election in October.

Reliable sources said last night that the coalition partners—Mr. Schmidt's Social Democrats and the Free Democrats—had agreed to put off the increase from next June until January, 1978.

Before the general election in October both the government and the opposition repeatedly assured pensioners that they would get their annual increase despite reports that the pension system was running short of cash.

Pensions were raised by 11 per cent both in 1975 and this year.



QUAKE HITS SOUTH AFRICA—Remains of apartment complex in mining town of Welkom, southwest of Johannesburg, after tremor struck this week, killing a miner.

Of Seoul Presidential Mansion

S. Korea Bids U.S. Explain Alleged Bugging

SEOUL, Dec. 9 (AP).—Unless the U.S. government clears up reports that it used listening devices on President Park Chung Hee's mansion, the South Korean government will conduct its own investigation and take "appropriate measures" against any illegal acts, the government said today.

The United States has told South Korea that its statements on the alleged bugging were "not helpful" to U.S.-South Korean relations, the State Department said today.

Information Minister Kim Seong Jin said that South Korea has repeatedly demanded an explanation from Washington but that none has been given.

"The failure by the U.S. side to provide a convincing clarification in public has given rise to

continued speculations and distortions which are quite detrimental to the interest of both the Republic of Korea and the United States," Mr. Kim said.

The Washington Post reported on Oct. 27 that the U.S. investigation of alleged Korean influence-bugging in Washington is using "highly sensitive intelligence reports" based on electronic eavesdropping, wiretaps and other intercepts of communications to and from the Blue House, the South Korean presidential mansion.

President's Orders

The Post said that the reports showed that the Korean President personally ordered the bugging of U.S. congressmen. The Korean government earlier denied the report and called it "malicious, sensational report."

Iran Aide Says Disclosure Of U.S. Cable Hurts Talks

(Continued from Page 1)

effectiveness and utility of the OPEC-LDC alliance."

The telegram also said Washington did not believe the industrialized countries could reach any OPEC agreement which would serve to hold down oil prices.

"The United States has now revealed most astonishingly that it believes no concessions should be given to the Third World," Mr. Yeganeh said at his Tehran office. "The views of the group of 19 [developing countries] and their disappointment is justified now," he said.

Mr. Yeganeh charged that the U.S. position at the CIEC was "just to keep up pressure on oil-exporting countries and break the ranks of developing countries. But this has not worked in the past and it will not work now."

He said the secret U.S. position has torpedoed the CIEC negotiations, showing them to have been "a complete waste of time and resources."

Urges U.S. Shift
But he stopped short of calling for termination of the talks. Instead, he urged the incoming government of President-elect Jimmy Carter to "dissociate itself from the position taken by the present administration" and to present new proposals at the conference.

Mr. Yeganeh also said Iran would be going into the OPEC conference in Qatar demanding an oil-price increase of "not less than 15 per cent."

He said predictions of a 10-per-cent increase were "wishful thinking by some countries" but he would not rule out a compromise when asked about the possibility of a showdown with Saudi Arabia, the largest oil producer in OPEC which has said it will not accept an increase over 10 per cent.

Iran has indicated that it will push harder than expected for 15 per cent and the State Department cable is evidently being used as ammunition in this drive.

But Mr. Yeganeh would not predict whether the cable would prompt other oil producers to take a harder line.

Israeli Sales Tax Sparks Riots in West Bank Town

TEL AVIV, Dec. 9 (UPI).—Israeli troops fired tear gas into crowds of rioting youths in the biggest town on the occupied West Bank of Jordan today.

The clashes with rock-throwing students in Nablus took place on the fourth day of protests against Israeli policies in the occupied territory. Shopkeepers closed their stores in Nablus and Hebron, but business was as usual elsewhere.

The demonstrations were sparked by the decision of military authorities to collect an 8-per-cent sales tax that has been in effect in Israel since July.

Arab sources said that the Middle East debate at the United Nations and anger at the government seizure of lands around Bethlehem were also behind the riots.

Sick-wielding troops pursued the teen-agers and broke up burning-tire barricades. Youths set barricades on fire in Ramallah, between Nablus and Jerusalem.

The new value-added tax was imposed in July. It was delayed on the West Bank after weeks of protests. Small businessmen have been excused from paying the tax.

ing. It also denied any connection with businessman Tong Sun Park's lobbying activities in Washington.

If an "early public clarification" of the bugging reports is not made by the United States, Mr. Kim said, his government will launch its own investigation. And if it finds that U.S. agencies committed unlawful acts, it will take "appropriate measures in accordance with the relevant laws and regulations," he said.

Mr. Kim declined to say what these measures would be. "Such acts, if committed, would not only cast doubt on the American morality but also adversely affect the friendly relationship between the Republic of Korea and the United States," he concluded.

The minister also said that the U.S. State Department was not convincing in its denial of the South Korean government's charge that the consul of the Korean Embassy in Washington is being held by U.S. authorities against his will.

Protective Custody

U.S. officials say that the embassy official, Kim Sang Keun, is under protective custody, is seeking asylum and is assisting in the investigation into Korean activities in the United States. He is said to have been a key agent of the Korean Central Intelligence Agency.

A Korean statement yesterday demanded that a representative of the Korean Embassy be allowed to interview Mr. Kim. State Department spokesman John Tranter replied that Mr. Kim "chose freely to seek to remain in the United States" and has "thus far refused to see any representatives of his government."

Park Subpoenaed

WASHINGTON, Dec. 9 (UPI).—U.S. investigators have subpoenaed businessman Park in a probe of alleged cash payments to congressmen but Mr. Park may remain beyond the reach of U.S. authorities.

Mr. Park's Washington attorney said yesterday that his client had no immediate plan to return to the United States from London.

Mr. Park could not be compelled to return unless he were formally charged with a crime, according to Justice Department sources.

Probe by SEC

WASHINGTON, Dec. 9 (AP).—The Securities and Exchange Commission is investigating whether fee payments made to two South Korean business agents by a U.S. electronics firm were later used to finance the bribery of U.S. congressmen.

An SEC spokesman said yesterday that the agency is investigating E-systems Inc., of Dallas to determine whether the company, which manufactures military surveillance equipment, had been linked with any wrongdoing.

The business fees were allegedly paid by E-systems to Jong Ho Yoo, a registered alien, and Howard Lee, a naturalized U.S. citizen. Both men live in Los Angeles and work for the Korean Research Institute, a consulting firm which has advised E-systems about selling equipment to South Korea.

Chinese Army Says Radicals Set It Back

Bid Seen to Get Funds For Modernization

By Jay Mathews

HONG KONG, Dec. 9 (UPI).—China has released a lengthy report on trouble within its 3-million-member army that appears to be part of an effort by the military to justify more funds for its ill-equipped armed forces.

The article, written by members of the army general staff and released by the Chinese news agency this week, attacked army "careerists" linked to Mao Tse-tung's disgraced widow, Chiang Ching, who sacrificed military training for the sake of politics and stymied development of modern weaponry.

The article repeated themes heard in at least two recent provincial broadcasts monitored here and pointed toward what analysts see as a coming debate within the leadership over how much is to be budgeted for new tanks, planes, artillery and land-craft.

Some analysts here suggest that recent guided tours of Chinese military installations provided for Western visitors have given army officers an opportunity to publicize their needs and influence the Communist party's money managers.

Schlesinger's Comments
The analysts noted that at least one pro-Peking newspaper here made a point of repeating former U.S. Defense Secretary James Schlesinger's recent comments on outdated Chinese weapons after one such guided tour.

This week's article suggested that some army officers still had links with four recently purged radical leaders—Mao's widow, Wang Hung-wen, Chiang Ching-chiao and Ye Wen-yuan.

The prominence now given the army, particularly Defense Minister and second-ranking party leader Ye Chen-ying, has led analysts here to watch for a reaction from the civilian bureaucrats who must share the country's limited financial resources with the military. Differences between civilian and military leaders are not unheard of in China and they may crop up again in the wake of the joint victory of the bureaucrats and the army over the so-called radicals.



Emperor Bokassa

Bokassa Sets Imperial Rules Of Etiquette

NDJAMENA, Chad, Dec. 9 (AP).—Anyone meeting Emperor Bokassa of the Central African Republic must at a distance of six paces bow his head, say "Yes, Imperial Majesty" if answering questions in the affirmative, and not use a "brutal no" if responding negatively, the government radio said yesterday.

It said Bokassa, proclaimed Emperor of the former Central African Republic on Saturday, had dropped his recently acquired Moslem name of Salah Eddine Ahmed, or "defender of the faith," because of his new functions.

Jean-Bedel Bokassa took power in a 1966 coup and has ruled the landlocked country with an iron fist ever since.

Carter Reaffirms U.S. Pledge To Maintain NATO Alliance

(Continued from Page 1)

stressed that the West needed to be both strong and conciliatory. He rejected notions that the two were incompatible.

In many ways, the Carter and Kissinger statements were identical. Mr. Carter said that the alliance was "no less important to today than when NATO was originally established." Mr. Kissinger pointed out that, since NATO was established in 1949, all U.S. administrations had followed the same policies toward it. He said that foreign policy was based on national interests and not individual views.

Economics and Security
Mr. Kissinger also told the council that there was a link of increasing importance between the security of the West and its economic health. He made a strong appeal that nations use all their diplomatic influence on oil-producing states in order to keep down rising energy prices that have weakened Western economies.

Most of the speakers today rejected the two proposals made by the Warsaw Pact nations at their meeting in Bucharest last month for a ban on the first use of nuclear weapons and for a freeze in the size of the present alliances.

Mr. Kissinger, Mr. Croeland and Mr. Genscher said that it would be unwise for the West to indicate how it might respond in the event of an attack. The three also dismissed the call for an alliance freeze. The Warsaw Pact's proposal has been prompted by recent NATO threats to the Spanish government.

Mr. Kissinger devoted much of his 45-minute statement to his present assessment of relations with Moscow. He said that the Soviet Union did not have a specific plan for world domination but was piling up military

power as its industrial power increased.

But he argued that, because of the Soviet Union's weaknesses, particularly economic, the West could create incentives for Moscow to act positively.

French Denial

PARIS, Dec. 9 (AP).—The French President's office today denied a Washington report that France might join a four-power NATO directorate, giving it an important strategic and tactical military role in the alliance.

Elyse Palace spokesman Michel Bassi denied an Associated Press story yesterday quoting U.S. officials as saying such a development could follow what they saw as France's quiet policy of resuming military cooperation with NATO.

Mr. Bassi said France's military policy "is in the continuity of the policy defined by Gen. de Gaulle and carried out for 18 years." Under this policy, France pulled out of the NATO military structure and expelled allied forces based here.

Geneva Talks Wind Down

(Continued from Page 1)

be "more a hindrance than a help."

21 Guerrillas Reported Slain

SALISBURY, Rhodesia, Dec. 9 (UPI).—Rhodesian troops killed 21 black nationalist guerrillas in the last 24 hours, and insurgents last night attacked a civilian car 30 miles from Salisbury, it was reported today.

The attack on the car marked the closest guerrilla strike to the capital since attacks in Salisbury last summer.

A communiqué said that Basil Mullen, a 52-year-old mining engineer, and his 49-year-old wife Marion Elizabeth, were wounded in the attack, which took place at about 6 p.m. on the main road between Mazenod and Bindura. They were described as in satisfactory condition.

The communiqué said that since yesterday, 21 more terrorists have been killed in the northeastern border area. Security forces suffered no casualties.

The slayings pushed guerrilla losses to 30 killed in Rhodesia so far this month. The guerrillas have lost at least 2,181 men killed since the war began four years ago and 1,468 this year.

Cosmos-879 Launched

MOSCOW, Dec. 9 (UPI).—The Soviet Union launched the 879th in its series of Cosmos artificial earth satellites today "to continue the space exploration program," Tass said.

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Review of Defense Choice Reported

Prospective Cabinet Officers Continue to Meet With Carter

By Leslie H. Gelb

WASHINGTON, Dec. 9 (NYT).—Prospective Cabinet members continued to meet with President Jimmy Carter yesterday amid reports that Mr. Carter is taking a "hard look" at his first choices for the defense and security advisory posts.



Rep. John Brademas

No. 3 Position in House Goes to Brademas

By Richard D. Lyons

WASHINGTON, Dec. 9 (NYT).—Rep. John Brademas of Indiana was appointed yesterday as the third-ranking whip—the third-ranking position of power in the House—by Speaker-designate Carl Albert of Montana.

The elevation of Rep. Brademas was made despite his long-standing friendship with a South Korean agent, Tongsun Park, whom Rep. Brademas has acknowledged the receipt of about \$100 in campaign contributions in 1972 and 1974.

It was this issue that led to the 1974 President Ford, who then vice-president, had attended a party given by Mr. Park, the appointment of Rep. Brademas was announced by Rep. Wright of Texas, who was then majority leader on Monday, the third day of meetings of the House Democratic Caucus.

Rep. Wright also announced the appointment of Rep. Dan Rostenkowski of Illinois to Rep. Brademas' former position of chief whip and majority whip.

Closest aides maintained that Paul Warnke, a Washington attorney and a former high Pentagon official, is back in the running for the defense job after receiving the endorsement of several senators. Mr. Warnke met with Mr. Carter Tuesday.

Source also said that Mr. Carter is close to naming Robert Zsigmond, a former assistant for national security affairs. "The only thing holding it up," a source said, "is that some people have been telling Carter that it would be inconsistent with his campaign statements not to have a policy advocate in that job."

Lack of Concern
Quoted about this in a telephone interview, Mr. Carter's press secretary, Jody Powell, said that "one of the points that Gov. Carter mentioned that attracted him to Cyrus Vance as secretary of state was his lack of concern about strong people being named to other top positions in the national security area."

A close Carter aide said that no more appointments will be announced until next week, and that they will finish out the international security cluster, meaning the Pentagon, the Treasury Department, the national security advisers and the ambassador to the United Nations.

Meanwhile, in Atlanta, Mr. Carter talked with another group of reputed contenders. In addition to Dr. Brown, who is president of California Institute of Technology, they included:

• Michael Blumenthal, chairman and chief executive officer of the Bendis Corp., who remains on the final list for Treasury, the Pentagon or other top positions dealing with international economics.

• Jane Pfeiffer, a former vice-president of the International Business Machine Corp., reported to be under consideration for secretary of commerce. She is now retired and is married to a senior vice-president of IBM.

• Rep. Brock Adams, D-Wash., widely said to be among the front-runners for secretary of transportation.

Sick Leave Held Not Obligatory in Pregnancies

WASHINGTON, Dec. 9 (WP).

The Supreme Court ruled today that an employer may legally refuse to pay disability or sick-leave benefits to pregnant women.

There is no sex discrimination "simply because an employer's plan is less than all-inclusive," said the majority opinion written by Justice William Rehnquist.

The justices overturned the findings of a lower court in a 6-3 decision, saying that General Electric Co. does not violate the rights of any of its 100,000 women employees by making them take unpaid leaves of absence to have babies.

The decision does not mean that those employees now offering pregnancy disability coverage as part of their overall compensation package must stop doing so. The court said, however, that existing laws such as the 1964 Civil Rights Act do not compel employers to offer that coverage.

However, Congress is free to pass legislation making such exclusions illegal, the court said.

One group that supported the GE women employees, the International Union of Electric Workers, said it planned to seek such legislation. It was enthusiastically backed by women's rights groups, which unanimously criticized the court's decision.



HOLIDAY COLLECTION—Kathy Gulan (left) and Chrissy Peters show off their collection of 66 Christmas trees—15 years in the making—at Lake Forest, Ill., home.

Harm Seen to U.S. Anti-Espionage Effort

By Nicholas M. Horrocks

WASHINGTON, Dec. 9 (NYT).—Senior intelligence officials said yesterday that Attorney General Edward Levi has refused to approve any requests for wiretaps in counterintelligence cases and that efforts to combat hostile foreign intelligence services are being hampered.

In a series of interviews, officials familiar with the counterintelligence efforts of the FBI said the CIA said that six requests for electronic surveillance of Americans or resident aliens have been made to the attorney general during the

last year and he has declined to approve them.

Compromising Security
In these cases, the officials said the requests were all for telephone wiretaps. They were instances where the counterintelligence experts believed that the American or resident alien was in contact with agents of hostile intelligence services and compromising national security.

The instances demonstrate sharply the controversy between the protection of civil liberties in the United States and efforts to take steps considered necessary to maintain national security.

State Dept. Said to Open Way For Sale of Fighters to India

By George C. Wilson

WASHINGTON, Dec. 9 (WP).—The Ford administration has taken the first step toward selling modern jet fighters to India, informed sources disclosed yesterday.

This new approach to the government of Prime Minister Indira Gandhi is sure to draw fire from Pakistan and perhaps from President-elect Jimmy Carter. Pakistani officials already have complained that they are heavily outgunned by India and should be allowed to buy the A-7 attack plane from the United States.

The State Department's Office of Munitions Control has cleared the way for McDonnell-Douglas executives to brief Indian officials in New Delhi next month on the company's A-4 Skyhawk fighter-bomber.

The clearance was in the form of a license from that office to export data on the A-4's performance to India. A spokesman at the Office of Munitions Control said information about such licenses is confidential and could not be disclosed.

However, other sources said McDonnell-Douglas received its license last month. The Pentagon approved the release to India of the information.

World Market Value
The State Department has been analyzing for the incoming Carter administration what the world market is for arms between now and 1980. One estimate is \$35 billion.

For India, the fighter market is estimated to involve as many as 300 planes. The relatively inexpensive Skyhawk was used by the United States in Vietnam and by Israel in the Sinai.

If India decides to buy, then, in a process involving both the executive branch and Congress, the U.S. government would have to give final approval.

It is possible that the administration is allowing McDonnell-Douglas to launch the sales drive in India only to gain diplomatic leverage.

The Skyhawk is believed especially appealing to India right now because it is the only modern aircraft that could be handled on India's only aircraft carrier. The Indian Navy would like to buy 30 Skyhawks and officials have been putting out feelers for such a deal for some time.

The carrier-Skyhawk combination would clearly be an offensive force. Pakistan almost certainly would protest such a sale. Pakistan has sought to buy 110 A-7 light bombers from the United States.

U.S. counterintelligence agencies do conduct electronic surveillance of the intelligence officers and offices of hostile foreign intelligence services operating in this country.

It is common knowledge here that the United States wiretaps officials of Communist bloc nations it suspects are engaged in espionage.

But the counterintelligence surveillance presents a more thorny problem. A senior official described it as a situation where "we believe that Ivan Ivanov, a Soviet intelligence officer, has compromised Joe Zilch, an American or resident alien, with entrée to national security data and that person is meeting with the Russian and supplying him information. They have sought to wiretap Joe Zilch," the source said.

Rethink Criteria
Mr. Levi, these officials said, has told them in each instance that they had insufficient "probable cause" to install the tap. They do not fault Mr. Levi's judgment as a lawyer but suggested that the Department of Justice must "rethink" the criteria for such surveillance.

The official said that Mr. Levi had told the agencies that if they feel strongly that the taps were necessary they could seek approval from the courts under the provisions of Title 5 of the U.S. Code. The intelligence officials have declined because they would have to disclose their informants or sources of suspicion.

French Survey Supports OECD On Salary Gap
PARIS, Dec. 9 (UPI).—A special report ordered by the government on salaries in France, West Germany, Britain and the United States showed again that France has the largest gap between rich and poor.

The survey, published by the Study Center on Income and Costs, confirmed a report issued by the Organization for Economic Cooperation and Development in July saying France had the largest income inequality among industrialized nations.

France formally protested to the OECD on Oct. 12 that the report was biased and undocumented.

The new report said that, although the disparity of salaries in France had been reduced since 1968, the gap was closing much faster in Britain and West Germany. In the United States the gap has been much smaller than in other countries but it has started widening.

Salaries of top French executives are 5.1 times higher than those of blue-collar workers, while in Britain the ratio is 2.8 and in West Germany 2.3 the survey said.

The average white-collar employee in France earns 63 per cent more than the blue-collar worker. The gap is 51 per cent in West Germany and 38 per cent between women workers of the two categories.

High Price of Caviar
TEHRAN, Dec. 9 (AP).—A U.S.-based firm, Pana Caviar, yesterday agreed to pay \$16,284,000 for 27½ tons of Iranian caviar over the next five years.

No Federal Prosecutions

Capitol Hill Sex Scandals Just Fade Away

WASHINGTON, Dec. 9 (AP).—The Capitol Hill sex scandal of 1976 is fading to an end. The Justice Department has closed its books on the case and will not prosecute anyone involved.

The scoreboard shows that six members of the House of Representatives allegedly were involved in various incidents of sexual misconduct.

One was forced to resign from the House, another was convicted in a local court and defeated for re-election, three were re-elected and the voters promoted one to the Senate.

Government prosecutors investigated the allegations against former Rep. Wayne Hays, D-Ohio, and Rep. John Young, D-Texas, but closed both cases after concluding the prosecutor lacked evidence to support criminal charges.

The scandal broke last May when Elizabeth Ray asserted publicly that Rep. Hays kept her on the government payroll as his mistress. She insisted that she did no government work, seldom showed up at the office and could not even type.

While the charges were making headlines, the voluptuous 33-year-old blonde produced a book about the affair and capitalized on the publicity to land a part in a play in Chicago.

Relationship Admitted
Rep. Hays finally admitted to a relationship with Miss Ray but insisted that her job with his House Administration Committee was legitimate. Under pressure from his colleagues, Rep. Hays stepped down as chairman of the committee and later resigned from the House.

Meanwhile, prosecutors in the Justice Department's Public Integrity Section investigated to determine whether Rep. Hays should be prosecuted for misusing government money—Miss Ray's \$14,000 annual salary.

Yesterday Justice Department



Wayne Hays

spokesman Robert Stevenson said Rep. Hays was notified through his attorney that no criminal charges will be brought against him.

Prosecutors lacked evidence to corroborate Miss Ray's account, the source said. But an even greater barrier to prosecution was that "her story is awfully shaky," the source continued. "She's just not a very good witness for the purpose of criminal prosecution."

Soon after the Hays scandal broke, Colleen Gardner said that her former boss, Rep. Young, had required her to have sex with him as a condition for keeping her staff job at premium pay. "Poppycock," Rep. Young replied.

Department investigators look-

Convicted Killer Asks Utah to Release Him
SALT LAKE CITY, Dec. 9 (AP).—Convicted killer Gary Gilmore says that Utah, by not providing his demands for a speedy execution, now must set him free.

Attorney Ronald Stanger petitioned the 9th District Court in Provo yesterday for Gilmore's release on grounds that state law required that the firing squad execution be carried out within 60 days after Gilmore's Oct. 7 sentencing for killing a motel clerk.

But it appeared unlikely that Gilmore would go free, even if the court accepted Mr. Stanger's argument. Utah County Attorney Noell Woolton has asked the same court to set a trial date for Gilmore on another murder charge in the fatal shooting of a gas station attendant during a robbery. Mr. Woolton said the judge would probably act tomorrow.

ed into this case too, and he closed last April that there was no evidence to support criminal charges. Rep. Young was re-elected in November.

Other Scandals
Justice Department officials emphasized that they were interested only in possible violations of federal law, not in the sex habits of politicians. The department investigated only the Hays and Young cases and never became involved in the other sex scandals.

The other scandals involved:

• Rep. Allan Howe, D-Iowa, who was expelled for insubordination after he was convicted in a state court of cheating on three state agents posing as prostitutes.

• Rep. Joe Wacker, D-Ill., who was expelled after the disclosure that Washington police had found him last February on suspicion of soliciting a deputy police chief. He was never charged.

• Rep. John Dingell, D-Mich., who was expelled after a state court of criminal justice ordered his removal from office for soliciting a deputy police chief. He was never charged.

• Rep. Donald Riegle, D-Mich., who was expelled after the disclosure that he was on an affair with an unlicensed sex worker in the House.

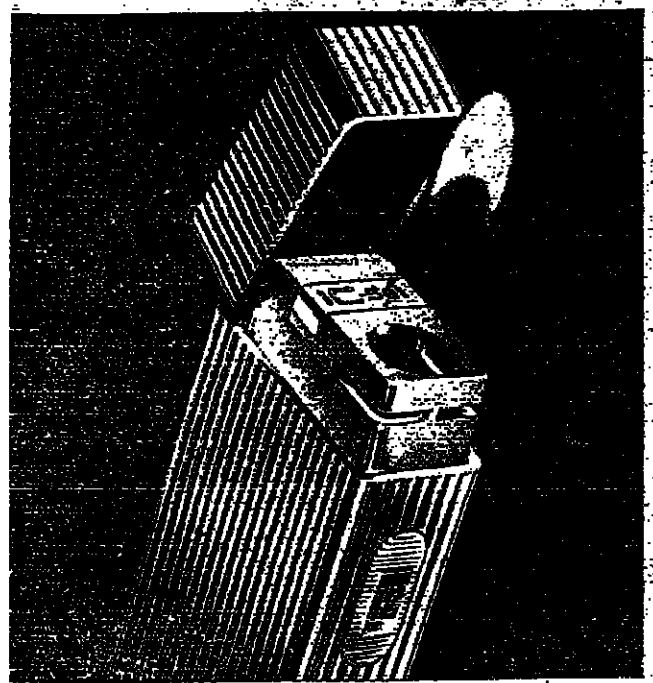
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PARIS



Claw Misuse Reportedly Scuttled Soviet Sub Salvage Effort by CIA

(Continued from Page 1)

submarine, and one in Science magazine speculating that the vessel might have been recovered in pieces.

Such reports, which have drawn official "no comments" from the Pentagon and the CIA, were depicted as fallacious by the Collier brothers and by The Times's sources in the intelligence community.

Richard Duncan, deputy chief of correspondents for Time magazine, acknowledged that "we've run into questions on our own about the story we published and we're still investigating." He added, "I'm not willing or able to say now that our story is wrong."

Fact, Speculation

John Walsh, editor of the news and comment section of Science magazine, said that his magazine's article "clearly distinguished between fact and speculation. We think that it added important information and feel it is correct in its basic analysis."

Wayne Collier, 33, who is now in the oil business in Houston, also said that some crew members of the Glomar Explorer, including his brother, were exposed to radioactivity from corroded nuclear warheads during the CIA's subsequent analysis of the recovered section of the Soviet submarine. Wayne Collier added that he and his brother were considering legal action against the intelligence agency.

"I feel it was negligence on the part of the agency," Wayne Collier said. "Since leaving the job on the Glomar Explorer, Wayne said, his brother Billy—who weighs 240 pounds and is known as 'Bimbo' to his friends—has felt weak."

Wayne Collier said he did not know whether the other crew members who were exposed to the radioactivity were suffering from similar ailments.

Although Wayne Collier did not directly participate in the recovery operation, his account of what went wrong has been corroborated in subsequent interviews with a number of high-level intelligence officials and others in the government whose information on the project has been reliable in the past.

The key failure, according to Wayne Collier, was not mechanical, but rather a failure in human judgment.

The concept behind the planned recovery of the submarine was simple: A huge claw capable of grabbing and lifting the submarine was constructed, fitted under the Glomar Explorer at sea, and then—while the Glomar Explorer was stabilized with the aid of computers over the sunken submarine—the claw was slowly extended into the ocean.

The Glomar Explorer, a 36,000-ton vessel 618 feet long and more than 115 feet wide, was capable of generating 13,000 horsepower. The ship's "moon pool," a huge hold into which the submarine was to be hoisted, was 200 feet long and 65 feet wide. If the submarine was recovered and placed in the pool, the water would be pumped out and the disassembling would start.

Lights, Cameras

The claw, whose three miles of supporting pipe was estimated to weigh 10 million pounds in air, was equipped with strobe lights and television cameras to enable its operators—working in the Glomar Explorer's control room—to observe the lifting operation.

The submarine was known, on the basis of previous reconnaissance photographs taken by deep-diving Navy craft, to be intact. The plan, according to Wayne Collier and other sources, was for the claw to encircle the submarine and pull it to the surface. The claw, nicknamed "Clementine" by crew members, was operated by a seawater hydraulic system.

But, Wayne Collier said, two or three prongs of the claw became entangled in the seabed along the aft end of the submarine. According to Wayne Collier's account, there was a debate inside the control room—repositioning the claw could cause an extensive delay and, at the great stress of the three-mile depth, could even lead to mechanical breakdown.

The project leader, a high-level CIA official known to the crew as "Blackjack," ordered the claw's engineer to increase the power to pull the claw around the submarine, Wayne Collier said.

Out of Shape

After some agonizing moments, the claw encircled the submarine, the account continued, but the few prongs that had become stuck were bent out of shape and could not fully support the submarine.

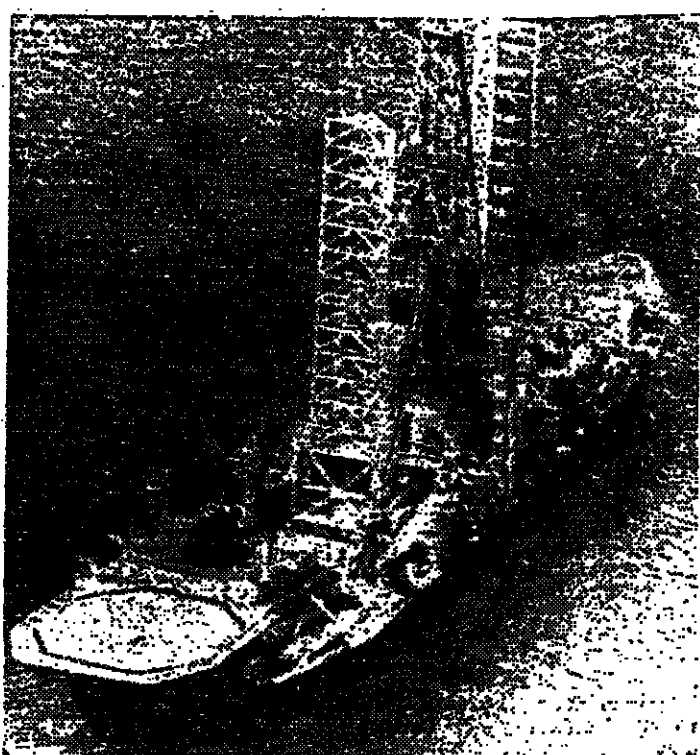
At 5,000 feet, the rear two-thirds of the submarine broke off and sank, Wayne Collier said. It was a moment of fear, he added, because the men aboard the Glomar Explorer thought that one of the submarine's nuclear warheads might be triggered by the fall.

The section that broke off, Wayne Collier said, included the conning tower, the three missiles and the vessel's code room—the prime targets of the recovery mission.

Billy Collier talked at length about his intense 13-hour days disassembling the vessel in the huge hold of the Glomar Explorer. As many as 100 oversized air-conditioning units were working constantly in the "moon pool," he said, in an attempt to re-create the water temperature three miles down, and to delay the submarine's decay.

Damp, Rotten

There were other memories, he said, the smell, for example. Billy Collier's face turned sour when he tried to re-create it in words. "It was terrible. Hard



The Glomar Explorer in 1974, anchored off Hawaii.

to describe. Damp and rotten." He stopped trying to explain and said simply: "The bodies."

"A crew of doctors went at them first," he continued, "two doctors and some medics. They took out everything that they found." The intact bodies of at least six Soviet submariners were recovered and later were buried at sea.

Many crew members, in direct violation of CIA orders, quickly stripped the bodies and the submarine of souvenirs and items of value—rings, watches, coins and bracelets—according to the Collier brothers.

The Soviet submarine, a 1958 Golf-class model driven by a diesel engine, was radioactive, as CIA analysts had predicted. The Collier brothers said there had been decay of the nuclear warheads that were mounted on the vessel's three missiles and four torpedoes. Two of the torpedoes were recovered, according to the brothers.

Chance Refused

Moments after the submarine's forward section was brought into the "moon pool," Billy Collier recalled, the crew members were summoned to the ship's dining room. "Blackjack" told them the submarine was "hot" and gave them a chance to forgo working on the project and thus avoid exposure to radiation. The men all agreed to go below to work, he said.

Special uniforms were provided, including a full-length cotton jumpsuit and a shiny outer uniform that seemed to have a metallic content. Billy Collier said, "Sleeves and ankles were taped, he said, and the men all wore oxygen masks and hoods

with built-in microphones. The suits were described as hot and clumsy."

After work, Billy Collier recalled, the men were carefully checked and ordered to take hot showers. "After five days, they decided it wasn't necessary to take all of the precautions," he said, and the suits were dispensed with to insure that the job of dismantling the submarine could proceed quickly.

Billy Collier worked his normal shift with about six other men, he said, and then he and others took a break and were routinely checked for radioactivity. "The instrument went as high as anything could go," he said, "and they found it was on me."

He remembered that the others exchanged long looks and he was undressed and ordered not to touch his skin. He said that he showered and scrubbed down for an hour, was examined, and told to return for more scrubbing. Later, he said, he was ordered to throw all of this clothing overboard.

Costs Estimated

The precise importance of the CIA's findings could not be learned nor could The Times determine how much money was spent on the overall operations. Sources generally agreed that more than \$500 million was spent, a total that is roughly twice as much as publicly acknowledged by the government.

The intelligence findings cited by Wayne Collier have been described by experts as, at best, insignificant in terms of the project's high costs. Among those findings are the following:

- Evidence that wooden two-by-fours were used in the building of some compartments, a crudity that amazed CIA engineers.

- Exterior welding of the hull was uneven and pitted, and the hull itself was not uniform in thickness. Hatch covers and valves also were crudely constructed, compared with those on U.S. submarines. The valves and covers, along with all electrical wiring and gear, were considered high-priority recovery items by the CIA.

- Two of the submarine's four nuclear-tipped torpedoes were determined to be powered by electric motors and two were steam-powered, indicating that the submarine's firing tubes were not interchangeable. CIA experts had thought that the torpedoes would be fired by more modern means.

- One of the dead Soviet sailors, a young officer, was found in a room that apparently had been sealed tight when the submarine sank. The room contained a variety of Soviet Navy instruction books and journals, some of whose pages could be deciphered after chemical treatment. The documents were said to include a partial description of the Soviet odes and nuclear system in effect in 1968.

N. Korean Shift Of Envoys Raises Queries in Russia

MOSCOW, Dec. 9 (UPI).—The departure of a dozen diplomats from the North Korean Embassy here earlier this fall may have been connected with the black-market activities of North Koreans in Scandinavia, some Western diplomats believe.

They suggested that the North Koreans could have been operating in Moscow as they were in Scandinavia, selling liquor, cigarettes and drugs at black-market prices, and that they were forced to leave. But it is also possible that the North Koreans were simply sent from Moscow to replace their colleagues, expelled from posts in Scandinavia.

Soviet and North Korean officials deny that there was anything unusual about the departures, which became known when the embassy sent out a routine diplomatic list.

New Moscow Airport

MOSCOW, Dec. 9 (UPI).—Moscow will soon begin work on a new airport, the capital's fifth, Tass said.

Thai Minister Says Vietnam Sets Invasion

Hanoi Radio Brands Report an 'Absurdity'

SINGAPORE, Dec. 9 (Reuters).—Thai Interior Minister Samak Sundaravej said today that captured documents show that Vietnam is planning to invade Thailand in two months.

He said his information came from intelligence sources, which learned this week of the plan.

"A meeting has been held between pro-Hanoi Vietnamese refugees and left-wing Thai students at which it was decided to organize industrial unrest in Thailand to pave the way for the invasion," he said.

He said that the Vietnamese have been "looking for the change to invade us on D-day, Feb. 15."

Asked why he thought Feb. 15 had been chosen, he said: "Because it is at the height of the dry season."

He said he issued the warning—first released yesterday in Bangkok—so that the world knows. Then let us see whether the Vietnamese deny it.

Hanoi Calls It Absurd

From Hanoi, the official Voice of Vietnam radio today described Mr. Samak's claim as "an absurdity." It said his statement was designed to justify possible Thai attempts to reopen U.S. military bases in Thailand and to advance Bangkok's "extremely reactionary domestic and foreign policy."

The Thai leaders "also want to plead for more dollars from their U.S. master," the broadcast said.

Mr. Samak, making a two-day visit to Singapore, said that the planned crossing points for the invasion are through Burma in the north, Chongmek near the Laotian border and through the Aranyaphong near the Cambodian frontier.

He said he had clear evidence that weapons and tanks were being stockpiled near the crossing points.

In Bangkok, there was no public sign of any special action by the Thai regime to counter the alleged invasion threat or prepare for war.

A Thai military spokesman said the interior minister had informed the Cabinet of the Vietnamese invasion plan, but added it was not possible for anyone to reveal what military movements were being prepared to meet it.

No Call for Help

Mr. Samak said here that Thailand was taking no special measures and was not calling for outside help.

Relations between Bangkok and Hanoi have worsened since the rightist military coup in Thailand in October.

"Some of the Vietnamese refugees who have arrived since the Communist victories in Indochina are working for the benefit of their colleagues in Vietnam," Mr. Samak asserted.

He said that refugees had contacted Thai students who fled to Laos after the coup and "some of these students have now infiltrated back into Thailand."

He said that rightist-orientated trade unions have been infiltrated by leftists who are planning industrial unrest as a prelude to the Vietnamese invasion.

"Some factory owners may add to the tension by taking strong measures against troublesome workers. But I am warning both groups to stay calm and I am making it clear that we know what is going on," Mr. Samak stated.

Philippines Storm Toll

MANILA, Dec. 9 (UPI).—Seventeen more persons were reported to have died in provinces hit by tropical storm Nora, raising the five-day death toll to 58, the Philippines Red Cross reported yesterday.

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Quit 'Shadow Cabinet'

Stories Split Over Party Stand
in Scottish, Welsh Home Rule

LONDON, Dec. 9 (UPI)—The opposition Conservative Party has been split by disputes over the Labor government's plan to give Scotland and Wales home rule and their own parliaments.

Conservative two chief parliamentary spokesmen on these issues, Alec Buchanan and Malcolm Rifkind, resigned their posts last night.

Other Conservative "shadow cabinet" members, Hector MacKenzie and John Corrie, also said they were quitting but the party's Mrs. Margaret Thatcher asked them to stay on.

The moves brought to a head a growing party conflict over home-rule issues.

Mr. Buchanan said the Labor government bill for Scotland and Wales would have its second reading in Commons next week.

Mr. Thatcher and a majority of the "shadow cabinet" have opposed the bill, which they say is too far and could lead to the breakup of the United Kingdom.

Mrs. Thatcher ordered all 278 Conservative members of Parliament to vote against the bill next Thursday.

But some in the party argued that failure to give Scotland at least the limited measure of home rule offered in the government bill would fuel full-independence demands by the fast-growing Scottish National party.

Political informants predicted that as many as 20 Conservative MPs, including most of the 16 from Scotland and former Prime Minister Edward Heath, will defy Mrs. Thatcher's orders and either vote for the bill or abstain.

Mr. Buchanan-Smith said "I profoundly disagree with that decision" to order all Conservative MPs to vote against the bill.

"In Scotland, people will think Conservatives are opposing the principle of devolution," he added.

Devolution is the term applied to the transfer of limited home-rule powers to Scottish and Welsh assemblies.

Mr. Rifkind said the order to vote against the home-rule bill was "a serious and unfortunate mistake."

Mrs. Thatcher, accepting Mr. Buchanan-Smith's and Mr. Rifkind's resignations, expressed "regret" but said: "I understand their reasons."

She announced the appointment of Teddy Taylor, a Scotsman but a hard-line opponent of any home rule for Scotland, to replace Mr. Buchanan-Smith as chief Conservative spokesman for Scotland.

The home-rule dispute earlier this week forced into the open a long-simmering feud between Mrs. Thatcher and Mr. Heath, whom she ousted from the party leadership in February of last year.

Mr. Heath on Monday placed himself squarely at the head of a party rebellion against Mrs. Thatcher's authority by announcing that he will defy her orders to vote against the government's home-rule bill.

"It is unthinkable that those of us who have for so long believed in this principle should be expected to vote against it," Mr. Heath said.

Russians Get
Large New
Paris Embassy

PARIS, Dec. 9 (AP)—The Soviet Union has taken possession of a new seven-story embassy here.

In addition to 10 floors of offices and 130 apartments, it has:

A banquet hall for 1,500 guests, a grand salon, several libraries, two theaters, six editorial suites, a school, gymnasium, restaurant, interior garden and sauna.

The price of the structure, set up by a French firm, is \$100 million.

EC Ex-Official
Borschette Dies;
Months in Coma

BRUSSELS, Dec. 9 (UPI)—Borschette, 56, former member of the European Economic Community's executive commission, died yesterday after being in a coma for more than six months.

Borschette, commissioner of competition, was killed by a car while participating in a race in Strasbourg in May.

When it became clear he would never recover sufficiently to resume post, his fellow countryman and friend Vonn was named as successor.

Borschette had been Luxembourg's permanent representative to the Common Market since 1968 and a member of the mission since 1970.

Dr. Sarah Stewart

WASHINGTON, Dec. 9 (UPI)—Sarah Elizabeth Stewart, who helped show that some cancers are caused by viruses and set the course of much anti-cancer research into the use of cancer Nov. 27 in her home in New Smyrna Beach, Fla.

Stewart and Dr. Bernice were the first scientists to show that the polyoma virus in tissue cultures. They then demonstrated that the virus would cause various kinds of tumors in mice and other rodents.

Stewart's work at the National Institutes of Health in Bethesda, Md., and published in 1958, became one of the cornerstones of modern oncology, the study of cancer as a cause of cancer.

William F. Campbell

WASHINGTON, Dec. 9 (UPI)—William Patrick Campbell, 62, curator and director of the National Gallery of Art, died Saturday.

He had served in several capacities before taking the position he held at the time of his death.



GETTING OUT THE VOTE—A Madrid resident reads a poster urging participation in the referendum next week on Spain's proposal for an overhaul of the parliament.

Spain's Extreme Left, Right
Urge Boycott of Referendum

MADRID, Dec. 9 (AP)—With private polls indicating nearly a third of Spain's voters still undecided, the government faced mounting opposition today as both the extreme left and right organized against the referendum next Wednesday on the government's political-reform program.

Government officials said they still expected overwhelming approval and at least a 70-per-cent turnout of the 23 million eligible voters next week.

But reports from Spanish news correspondents abroad said only 5 per cent of Spanish emigrants cast absentee ballots in France and the United States before that balloting closed two days ago.

In Madrid, the National Confederation of War Veterans who fought with the late Generalissimo Francisco Franco in the Spanish Civil War urged its 500,000 faithful to vote against the reforms, which it said would destroy Spain and the system Gen. Franco built.

In Barcelona, more than 80 labor lawyers urged abstention "as the only way to fight today for the liberties of the people."

Leftist extremists in Spain's northern Basque region called for a general strike in that area on the day of the referendum.

The main leftist thrust against the referendum, asking Spaniards to vote yes or no on Premier Adolfo Suarez's program calling for free parliamentary elections next year, was led by the Communist-Socialist National Alliance.

It charged that the referendum was undemocratic and that the government controlled the press and manipulated public opinion by spending 550 million pesetas (\$8 million) of taxpayers' money.

Police Tuesday arrested 19 persons, most of them members of the illegal Communist party, for distributing anti-government referendum propaganda.

But the government also was under attack from the extreme right, which is using a campaign theme that "Franco would have voted no."

The ultraright New Force party said 91 of Madrid's 255 polling places would be observed by party members, leading capital newspapers to charge that "extremists will control the polls."

With opposition leaflets and graffiti calling for abstention, the government dropped its neutral stance and openly asked for a yes vote.

It appeared to have the support of most Spaniards, although one newspaper poll showed 41 per cent of rural voters undecided.

The government television monopoly invited all political forces, except the Communist party, to appear on the national network and give their views.

Jose Maria de Arellano, head of the centrist Popular party and the country's first foreign minister after Gen. Franco's death a year ago, called the referendum "the key to democracy" and urged approval of Mr. Suarez's program.

50 Reported Held
In Plot to Oust
Afghan President

ISLAMABAD, Pakistan, Dec. 9 (Reuters)—More than 50 persons have been arrested in Afghanistan for allegedly plotting to overthrow Afghan President Sadat Mohammed Daud, reliable sources said here today.

The plotters were reported to have been led by former Gen. Mir Ahmed Shah, who retired from the army last year, the sources said.

An undisclosed number of the alleged plotters, who were rounded up by security forces about two weeks ago, were military personnel, but no actual coup attempt took place and there was no bloodshed, the sources said.

They added that the conspiracy apparently resulted from discontent within the armed forces with President Daud, himself a former army strongman, who came to power in July, 1973, in a military coup d'etat which ousted King Mohammed Zahir Shah.

A semi-official source described Mir Ahmed Shah as a devout Muslim with strong religious views but no political following nor any conspicuous backing in the army.

Visitors to Kabul, the Afghan capital, said on their return here that the city was calm but increased security was evident.

Andreotti Returns
To Italy From U.S.

ROME, Dec. 9 (Reuters)—Italian Premier Giulio Andreotti returned home today from a two-day visit to the United States, describing his trip as "highly successful."

"I believe we achieved our political and economic aims," Mr. Andreotti told reporters at the airport. His visit included talks with President Ford on Italy's economic problems and its position in the Western alliance.

Seizures Demanded

Troops in Mexico Disperse
Land-Reform Demonstrators

MEXICO CITY, Dec. 9 (Reuters)—A campaign by peasants for the breaking up of Mexico's big estates lost momentum today as groups blocking estate roads dispersed in the face of troops.

In the capital, 2,000 peasants ended their 36-hour occupation of the Agrarian Reform Ministry yesterday. Officials said they quit the building after they had been promised an investigation of their demands that the government seize landholdings in high states, mainly in the southern region.

In the northwestern state of

Sinaloa, 650 miles from here, peasants who had blocked roads and entrances to estates over a wide area began withdrawing after the police and troops threatened to evict them by force.

Local officials said about half the 4,500 protesters had gone home and most of the rest had moved their encampments onto public land to avoid clashes.

Echeverria's Lead

The peasant campaign during the last week was marked by former President Luis Echeverria's seizure of estates in two northern states for distribution among landless peasants shortly before he left office on Dec. 1.

His move provoked bitter opposition from Mexico's main private enterprise groups.

The new President, Jose Lopez Portillo, was planning to meet business leaders tomorrow to seek a rapprochement as part of his strategy to bring the country out of an economic recession.

Officials said he was planning to offer a more pro-business outlook from government and closer consultation on economic policy if the businessmen would guarantee to step up investment in basic industries.

Plant Aide Slain

CIUDAD JUAREZ, Mexico, Dec. 9 (AP)—Five armed members of what police called a Communist terrorist group forced their way into a U.S.-owned plant here yesterday and killed the plant manager after dispensing propaganda to workers.

The manager of a Sylvania electronics plant was shot in the head after he apparently resisted the three men and two women intruders who broke into the plant about 7:30 a.m., the police said.

Local and federal police mounted a statewide search for the five, described as members of the 23rd of September group.

Representatives of eight U.S.-owned firms, including General Electric, Westinghouse and Armco, met yesterday afternoon with Juarez Mayor Raul Liceaga.

Authorities said plant officials requested Mexican federal protection for the industrial complex that houses 14 U.S. and Mexican-owned industrial firms on the southwest edge of Ciudad Juarez, a city of more than 800,000 across the Rio Grande from El Paso, Texas.

U.S. Underground Test

WASHINGTON, Dec. 9 (Reuters)—The United States yesterday conducted its 12th underground nuclear test this year in the Nevada desert.

Swiss Army Sale

Of Wine Draws
Sour Grapes

LAUSANNE, Switzerland, Dec. 9 (AP)—The Swiss Army came under fire today for selling wine.

The national center for alcoholic problems charged this week that a growing number of army units were resorting to such sales as part of fund-raising efforts. It cited the case of a brigade commander who had promoted, on army stationery, the sale of wine in bottles with a "brigade label."

The official reply is that the proceeds from the sales served "military purposes" including sports training after duty.

The statement said: "Authorities thus contribute directly to increased consumption of alcohol," it said, demanding that "an end be put as soon as possible to the military wine trade."

Child's Sex Guide
Ruled Obscene by
European Court

LONDON, Dec. 9 (UPI)—It took five years for the courts to decide, but this week the ruling was handed down. Britain's "Little Red Schoolbook," a sex guide for children, is obscene.

The book, a translation from the Danish version, was seized in 1971 under the Obscene Publications Act shortly after its publication by Richard Handyside.

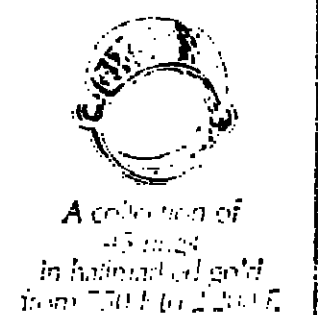
The schoolbook case was tried by London magistrates, contested up to the Court of Appeals and finally tried by 13 judges at the European Court of Human Rights.

That court ruled that parents "could have interpreted some passages as an encouragement to indulge in previous activities harmful for them or even to commit certain criminal offenses."

The judges said that they recognized that a fundamental concern in the case was the principal of freedom of expression but found that "restrictions on that freedom must be proportionate to the aim pursued."

They concluded that Mr. Handyside's human rights were not breached by banning the book.

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في الأصل

Too Much Oil?

When the Alaskan pipeline was first being proposed some seven years ago, the argument was that the United States was becoming dangerously dependent on foreign oil. That we needed to exploit every drop of the resource for ourselves and get it out of the ground in a hurry, no matter what the environmental hazards. Even then, some skeptics suggested that the oil would eventually be sent to Japan, but that charge was scathingly denied.

The United States was then importing less than 20 per cent of its oil. Now, when it is importing 40 per cent and the oil from Prudhoe Bay is scheduled to go into the pipeline in a year or so, we are told that this Alaskan crude will be a glut on the West Coast market, after all. The Standard Oil Company of Ohio, which owns more than half the production, wants permission to ship the precious fuel to Japan. In payment, the Japanese would buy Mideast crude oil and have it shipped direct to American East Coast refineries, with both the United States and Japan saving on shipping costs.

The scheme might be ingenious except for one overriding fact: It would leave this country more than ever at the mercy of the OPEC producers as to price and as to potential cutoffs. Frank Zarb, head of the Federal Energy Administration, puts the matter succinctly: "It is not in the nation's best interest to let that oil go abroad."

The surprising oversupply on the West Coast is being attributed by some of the companies to a lowering of demand due to a reduced growth rate, to conservation, and to the opening last July of the Elk Hills Naval Petroleum Reserve in California. The first two factors are regrettably too modest to account for most of the change, and the Elk Hills production represents less than 15 per cent of West Coast requirements. A possibly significant factor is the importing of 400,000 barrels a day of Indonesian oil by Standard of California. This company finds it more profitable to import Indonesian oil, which it owns, than to refine oil from the North Slope, in which—unlike Standard of Ohio—it has only an insignificant financial interest. Even if the Elk Hills flow is stopped and

Alaskan oil is substituted for Indonesian (not an easy thing to do mechanically or economically in view of the heaviness of one and the lightness of the other) there will be a West Coast surplus and one that will grow larger as the Alaskan yield rises from its initial 600,000 barrels a day to an eventual 1.5 million.

Now that the pipeline has been laid, with billions of dollars at stake and the economy of Alaska in the balance, the question cannot be one of "shutting in" the oil, even temporarily, but of distributing it effectively. One proposal is to pipe it from Long Beach, Calif., to Midland, Texas, taking advantage of an abandoned natural gas line. California's Coastal Zoning Commission fears that the oil transfer might add significantly to the already polluted air of the Los Angeles region. Alternative lines have been proposed from British Columbia to Edmonton, Alberta; from Port Angeles, Wash., to Clearbrook, Minn., and across Guatemala to the Gulf of Mexico.

Any of these lines would take time and might well involve some environmental damage, but in the long run, some one of them may be essential. More immediately, the problem will be to distribute the initial flow from the Prudhoe Bay wells.

If it is not to go to Japan, then it must be brought East by tankers moving through the Panama Canal. Standard of Ohio and other companies contend that there are not enough tankers, since under the Jones Act only American vessels may be used to carry U.S. products from one U.S. port to another. Mr. Zarb, whose agency has made a long study of the subject, says that there are enough tankers and so does the Maritime Administration, which should know.

If there should nevertheless prove to be too few of them to carry the load, then it would be up to Congress to amend the Jones Act. Too much has been said about the value of Alaskan oil in reducing U.S. dependence on foreign sources, for it to be exported now and the country made more dependent than ever on the energy resources of foreign states.

THE NEW YORK TIMES.

Waldheim Renamed

It is no derogation of Kurt Waldheim to observe that he is now assured of another five years as secretary-general of the United Nations because no member government had anything against him. In particular, Mr. Waldheim had managed during his first term to avoid giving lasting offense to any of the five permanent members of the Security Council, whose "recommendation" is binding on the General Assembly.

China did veto Mr. Waldheim on the first Security Council ballot but only to make the point that the job ought this time to go to a Third World leader. Peking then joined the other permanent members to assure the Austrian's re-election. The only real issue in fact was whether the chief political and administrative office of an organization now dominated numerically by the developing countries should continue to be occupied by a European.

Mr. Waldheim's path was undoubtedly eased by the fact that the only actual Third World candidate—the only other person voted on—was former President Luis Echeverria Alvarez of Mexico, who had alienated some members by campaigning too obviously for the job. But all this should not be al-

lowed to obscure Mr. Waldheim's creditable five-year record, especially his tireless efforts to involve the United Nations—often in the form of himself—wherever it might be useful in easing world crises.

A discreet career diplomat, Mr. Waldheim has never stretched the implied or "residual" powers of the secretary-general in his efforts to advance political solutions, as did the first two holders of the office, Trygve Lie of Norway and Dag Hammarskjöld of Sweden. But he has been at least as active as Hammarskjöld and far more vigorous than his immediate predecessor, U Thant of Burma, in traveling to the trouble spots to offer his own services or those available through UN machinery.

At this stage in the checked 31-year history of the UN, an objective, sensitive, intelligent and exceptionally hard-working career diplomat from a neutral country best fits the requirements of the secretary-general's office as member governments in the majority conceive them. The Security Council acted wisely in giving Kurt Waldheim a second term.

THE NEW YORK TIMES.

International Opinion

Europe's Air Fares: A 'Jungle'

Starting from scratch, it would be hard to invent a structure of the baroque complexity, the devious intricacy, of European airline fares. If you book a ticket from London to Malaga, for example, you can choose from 30 different fares, including six categories of discount. Because of the endless variety of special deals, the rate you pay per mile varies wildly and with no apparent logic. Fares on journeys of almost identical length are widely different. Thus there is a 15-per-cent difference in the fares from London to Paris and from London to Brussels—journeys of almost equal distance. In their report on European airline fares, the Airline Users' Committee understandably describes this chaos as a "jungle."

The ultimate evidence that the fare structure needs an overhaul is the proliferation of black and "gray" markets in airline tickets which the committee describes. There is a turnover of between £40 and £50 million a year in illicit cut-price tickets in London alone. This market is supported by the large number of cut-rate fare schemes which the airlines offer.

It is quite evident that the whole struc-

ture of European airline fares needs to be overhauled and simplified. The committee itself proposes a basic three-tier structure. First class passengers would pay their full share, and no longer be subsidized by economy-class passengers; businessmen flying economy class would be charged on the basis of cost, rather than on the present rough and ready principle of what the market will bear; and a new third class fare would replace the present jumble of special offers. This is a thoroughly sensible starting point.

—From the Guardian (London).

North-South Talks

The major industrialized countries appear to have succeeded in postponing the day of reckoning in their "dialogue" with the Third World on a new international economic order. The 19 developing countries represented in the North-South talks now seem to have reluctantly accepted that the closing ministerial session planned for next week should be put off until the spring. The West thus appears to have escaped, at least temporarily, from the trap that was closing in on it.

—From the Financial Times (London).

In the International Edition

Seventy-Five Years Ago

December 10, 1901

NEW YORK—The statement is made today that Andrew Carnegie has arranged to give a considerable sum, possibly \$10 million, for the cause of university extension in the United States. Although information on the subject is very vague, it is stated that Mr. Carnegie's plan is to found a great national university at which any American could acquire higher education.

Fifty Years Ago

December 10, 1926

PARIS—"Spain is destined to become the playground of America and the American traveler going there will feel her welcome as in no other country," asserted Ogden H. Hammond, U.S. Ambassador to the Court of Spain, yesterday. "Motoring in Spain is excellent, the roads are the equal of any to be found in Europe," Mr. Hammond said in an address at the American Club.



When Britannia Waives the Rules

By Fritz Stern

NEW YORK—The transitional phase in U.S. politics is not a propitious time for dealing with a complicated and controversial problem abroad, but the world at large does not always respect our four-year rhythm. Thus, decisions will soon have to be made concerning aid to Britain.

In the first place, the International Monetary Fund, where U.S. influence is great, must respond to Britain's application for a standby \$3.9-billion loan to defend the pound; some British observers have talked of an additional, and larger, loan that should be sought among Britain's richest allies.

Britain has needed loans before: the very regularity of its requests may obscure the present crisis. At stake today may be Britain's political stability—and its role abroad. Responsible Britons now worry about the governability of the country, indeed about the survival of liberal democracy in Britain. A flawed decision on its request for help—in conjunction with economic developments over which Britain has no control—could bring about a sudden, perhaps irreversible, deterioration in Britain's political life.

Beyond Its Means

It is easy to blame the British for their predicament; they are their own best critics and don't need foreign generals to tell them what is wrong. Britain has lived beyond its means, warned Harold Macmillan in a recent broadcast. The crisis is not economic; it is structural and spiritual; it cuts to the very essence of Britain's way of life, on which in the post-war era a vast welfare state has been superimposed.

The leader of the Conservative opposition, Margaret Thatcher, recently exclaimed that Britain's plight did not represent a crisis of capitalism but the catastrophe of socialism. Actually, Britain has had the worst of both systems: a capitalism without sufficient managerial skill or incentive and a socialism mired in bureaucracy and trade-union selfishness.

The professional classes have been reduced to economic contraction, and the tax system represents a denial of hope. The loss of Empire proved hard; its legacy is the racial problem that embitters and endangers English life today. Devolution—the demand for Scottish autonomy—presents a further liability from the past. While the rest of Western Europe prospered, Britain was caught in the clutches of a stop-and-go economy. What statistics conceal is that the essential civilized qualities of British life were preserved—at a cost.

Radical Cuts

Given the British performance, it is not surprising that fiscal experts insist that radical cuts in public expenditures should precede a new loan. "Let Britain put its house in order first," reasonable men might argue, as they did last year about New York City. (On that occasion, the West German Chancellor, Helmut Schmidt, had to instruct President Ford that the world economy could not tolerate a bankrupt New York. It can tolerate a bankrupt Britain even less.) The financial community will speak with a powerful voice; politicians may have to defend their own priorities, fiscal wisdom can be political folly; economic stringency applied at the wrong time can set in motion political events that produce an unimaginable upheaval. In the 1930s, the guardians of fiscal orthodoxy clung to "sound" policies that brought about social catastrophes.

There are sound reasons for helping—without demanding draconian reforms. Britain's prospects are reasonably good—if it can get through the next few years. By 1980, Britain will export oil with obvious benefit to the balance of payments. The government of Prime Minister Callaghan, moreover, has maintained the social contract whereby trade unions renounced their extravagant demands for instant redress of past inequities. Inflation has been cut in half. For all its appealing gestures to the radical left, the government has pursued a policy of moderation,

and it is unlikely that the Tories could find another course.

The response of foreign lenders has to be finely calibrated: Massive austerity could produce a violent reaction that would be harmful to both major parties. A collapse of the Callaghan government would test Macmillan's fear: "If the Conservatives get in with a majority of 30 or 40, will they be able to govern the country?" Will the trade unions accept from Mrs. Thatcher, whom they would immediately brand as "a class enemy," what they would deny their own party? A return of the Tories with mounting unemployment could well turn the hope of social peace to the certainty of social conflict. The Labor party might finally split;

a new socialist party, with a Trotskyist core and its class anger, would constitute the most radical party in Europe.

The British have a genius for tempering, for gradualism, but past successes should not make us forget that there is also much bloody-mindedness, much pent-up resentment and frustration in Britain. Our very faith in Britain could blind us to potential trouble.

A sudden deterioration of Britain's political climate would bode ill for Europe. The left already demands a siege economy; protectionism could spread, with grave consequences to the European Economic Community. In arguing for help, the distinguished

correspondent of the Financial Times, David Watt, emphasized the dangers to Europe "if the British stone crumbles from the arch."

Aid to Britain is an intricate technical question, fraught with political implications. The United States needs to be intelligently generous, as it was in the days of the Marshall Plan. We poured hundreds of billions into a futile and divisive war in Vietnam. A fraction of that sum could be used time for a much-needed ally. With luck, we will never know what disasters we escaped.

Fritz Stern, Staff Law Professor of History at Columbia University, wrote this article for The New York Times.

Carter's Agenda: Justice

By Anthony Lewis

WASHINGTON—A new law that becomes fully effective on Jan. 1, 1978, will require agents of the Federal Bureau of Investigation to retire by age 55. It means that 650 men will have to leave the bureau during the next year—nearly one agent out of 12, among them some in senior positions.

Those prosecutive retirements are among a number of factors that could make the next year a decisive time for the country's most important law-enforcement agency. There is a good chance that the FBI will get a new director, too, although Clarence Kelley has said that he does not intend to leave. And the bureau's relationship to its parent Department of Justice is still being redefined.

All of this poses a great responsibility for Jimmy Carter and the man or woman he chooses to be attorney general—and a great opportunity. The FBI not only has important functions in dealing with the enormous U.S. crime problem. It also has a good deal to do with setting the tone of civil liberties and official respect for law in this country.

Briefing Book

One of Carter's transition teams has been studying the Justice Department. It is due to give Carter a briefing book listing problems that may require early consideration by the next attorney general, and some possible policy options. The FBI is doubtless one of the topics.

Public debate about the FBI has focused on the dramatic disclosures of illegal action in recent years—such things as its repeated break-ins at the offices of the

Socialist Workers party. Those episodes do raise extremely important issues, and they have had a large impact on feelings inside the bureau, but some informed persons think a less-discussed problem is just as weighty. That is the quality of the FBI's investigative work.

During his decades as director, J. Edgar Hoover put heavy emphasis on simple crimes with measurable results—notably auto theft—and on alleged internal security threats. His presentations to Congress emphasized the value of property recovered by the bureau, the number of stolen cars and the like. He was extremely reluctant to investigate organized crime or civil rights violations and moved only under pressure from Attorney General Robert Kennedy.

More recently, the FBI has begun to shift its targets and its methods. Outside experts say the quality of its investigations is improving—but that much more needs to be done to meet the sophisticated challenge of serious national crime.

The other crucial problem is that of accountability.

In the Hoover years, the FBI came virtually to ignore the Justice Department. President Ford's attorney general, Edward H. Levi, has said that the very day he arrived at his office, an FBI man asked him to sign wiretapping orders that neither he nor anyone else in the department had studied. He refused.

Levi has done much to regulate the work of the bureau, working out some written guidelines and

limiting its security operations. FBI officials are more concerned about the Justice Department now—but relations are still quite distant and dim. Present department officers agree that much remains to be done to assure accountability.

The most significant single step the next administration could take to improve FBI methods and accountability would probably be to appoint a really strong-minded and respected new director. That is said with due respect for Kelley's transitional role, but he has not been a strong leader.

The new man should come from outside the bureau, and probably from outside the immediate world of police work; he should be a lawyer or hardheaded and at the same time so committed to legal rights that he would have the respect of both old-time FBI people and outsiders.

Apart from the FBI, many interesting issues in the law await Carter. He promised during the campaign, for example, to pick both federal prosecutors and judges on merit, choosing from persons recommended by "independent blue-ribbon" judicial selection commissions. He did exactly that as governor of Georgia, but it will not be so easy in Washington.

Voice of Senators

Traditionally, senators have an influential or even a decisive voice in naming federal judges and U.S. attorneys in their states. Can Carter persuade them to make their recommendations from a list drafted by some new commission?

Will senators help choose the commission? Will Democratic and Republican senators be expected to work together?

There are just a few of the hard questions that will have to be answered before the promised change is made on appointing methods. And there are many other large issues ahead in the legal area: drug law enforcement, the confused and often contradictory and often contradictory position on so-called reverse discrimination.

Law is less glamorous as a subject for speculation than what Carter will do, and whom he will appoint, to foreign affairs. But the decisions and appointments that will determine the federal government's legal directions over the next four years could matter as much to the quality of American lives.

Letters

Ulster Solution

Lasting peace will not come to Northern Ireland merely by the cessation of street violence as supporters of the peace movement tend to believe.

Only when Britain declares her willingness to carry out an orderly withdrawal will the tide of bitterness subside.

Supporters of current British policy who claim that withdrawal will lead to worse turmoil echo previous British politicians who, up to 1922, made lurid predictions about southern Irish independence as an effort to prevent it.

Independence, once gained, led not to anarchy but social calm. To the chagrin of British Empire enthusiasts, the native Irish were able to run their own country on a sounder footing than the old colonial authority.

It is no coincidence that the most troublesome part of Ireland today is where the British still nominally rule. Imposed British solutions, whether well-meaning or not, have done the years only exacerbated the situation. Today, Ireland suffers its longest period of continuous strife in at least 900 years.

The one solution not yet attempted is complete British withdrawal from the island of Ireland. The odds for it are good. Once die-hard members of the loyalist community are now questioning the British link and advocating an independent Ulster with equal rights for both communities.

Britain, the ball is now in your court.

TOMAS O'GALLAGHAN, Derrybeg, Ireland.

Extra Man

As a Canadian living in Europe, I was delighted to see a brief account (Herald Tribune, Nov. 30) of Canada's annual football classic, when the Ottawa Roughriders won the national championship. I suggest, however, for future reference, that your headline writer, who reported "Ottawa 11 Victors in Final Seconds," take note of the fact that there are 12 men on a Canadian football team.

KENNETH C. BROWN, Stockholm.

Toughin It Out In Taiwan

By William Buck

NEW YORK—In a last week, a daily

ferocious of U.S. scholar, and journalists to the question "The United States and China After Mao were bound by the omni-

the United States ought fall for the old "normal line, so attractive to D. propelled by the inertia of their own dogmas. It is impressive that, by all and in intensity of a and enthusiasm for its view, testimony in the the old anti-Chinese coalition is not quite dead. The root of the in-

judicial problem to the Declaration of 1972? promulgated, you will re after several all-bliss as Peking and Nanchow. President Nixon and Chi- What the Shanghai De- said was that all of China ing the mainland, and is one country; and the ference in the internal a country (not counting Korea, Berlin, Poland, a Bulgaria, Czechoslovakia, a mess will not be taken. The unofficial U.S. in-

tion of this was that it w-

interest in U.S. relation Taiwan, since interpretations nations of this character: to avoid de facto recognition of long-standing. But the i and more importantly the lobby in the United States has been the main i-

date for formal norm- Normalization defined as Taiwan, by terminating a tense treaty, and withdraw diplomatic representation.

Dreams

It is a curious phenomenon see in the United States. It would appear that many diplomats and poets dream about the United States. Not since Gertrude Red all of Europe with in- ston for the unification a has there been such a para- dox. There are those who manage, whose ac- time caring not at all if I and Peking follow their se ways, but we are perhaps

torched by that realistic pulchritude. One wonders why Mike Mansfield, D-Mont., others spend less time de- about the unification of many, or Korea—but there doubt that their dreams can an important datum in U.S. real life.

Now, the consensus of U.S. service in Washington. It seems desired for long of that the United States unification. On meeting, meeting between Chinese pl- tentaries and the U.S. of of state, the matter of Taiwan has been listed deep down agenda, packaged with pol- that receive only cursory i-

tion. The assumption is this: if the United States were to Taiwan, there would be in- cause left for failure by Chi- attempt to take it over by force. But since this require an amphibious op- on a great scale, the cost i-

not prove to be worth it, an reason for the work of would be unappealing. E- which, presumably, the operation could be abort any moment by the simple a declaration of independence Taiwan. This would of course managed at any moment.

And then looked at the way round. What would concretely achieve by tai- Taiwan over to the mainl- Our diplomatic representative Peking is not that (impossi- promotion) to the rank of basic. The U.S. has been its candor would not, in any r- mean access to secrets of nese life which we need to in order to spare ourselv third world war. Fully credited diplomatic installa- maintained by Western Euro- countries are as much at se- we in trying to understand drift of affairs in China.

The disposition of the Chi- to unification toward the U.S. States reflects one single consideration: Are we tough-en- and strong enough to push counterweight to Soviet shov- Here we have the subtlest consideration of them all. All- by passing Taiwan, the re- accommodation. China, the basic would govern. The new in character, would make up loss, estimated at \$100 billion, to the ap- of Taiwan all the arguments, the moral arguments, and to stay. It is they, and them, who hear it all and

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PARIS THEATER

Another Hit for Anouilh

By Thomas Quinn Curtiss

PARIS, Dec. 9 (UPI)—Jean Anouilh must be the most dramatic of men in the French theater. His second 1976 play, "Chers Zola," has just opened at the Théâtre de la Comédie-Française.

Anouilh's plays are often failures, but very few are failures with the public. No French playwright since Henri Bernheim had as faithful a following as Anouilh.

Anouilh's alleged purpose of comedy is to ridicule the vices and foibles of his age and by so doing to bring about improvement in the society. But some of his plays are not so much comedy as they are a bitter-sweet look at the human condition.

Anouilh's latest contribution to the theater is "Chers Zola," a play about the life of the famous French novelist, Emile Zola. Anouilh has no modern heroes, but he has a hero who has lived scores of lives in the past. In a burst of talent, he has given us a play that is both a comedy and a tragedy.

Anouilh's "Chers Zola" is a play that is both a comedy and a tragedy. It is a play that is both a comedy and a tragedy. It is a play that is both a comedy and a tragedy.

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Françoise Brion, who is appearing in Jean Anouilh's "Chers Zola."



laughing it wins. But here his general portrait with crude melodrama is a bit slapdash and exaggerated. Actually his burlesquing of types would be excellently suited to the comic stage, but his points could be made more quickly and with less devastation. Some brisk song and dance would also make the evening less tedious.

Runs Out of Fuel

Prefering to be sardonic in full-length play form, Anouilh runs out of fuel in the interminable "dialogue" between the unseen avenger and the personage gathered in the pulpit during the second half. What has begun as a comedy of man-

ners descends into broad, wisecrack-ridden farce. The able company eases the sudden jolt as far as possible. Michel Lonsdale delivers a brilliant caricature of the moony yes-man of leftist causes and, balancing this, there is Jacques Castelot's equally entertaining bombing conservative who never reads newspapers. Guy Tréjean plays the weary novelist with robust humor. Outstanding in support are Françoise Brion, Uta Hagen, Odile Malin, Gérard Donnel (as a sloppy, one-eyed servant) and Catherine Arditi and Régine Teyssot, as the dreadful grandchildren.

In the program Anouilh wishes the spectator a good evening and confesses to having no other ambition. The evening—the stalled sections aside—is goodish, coming off more as a show than as a play of high literary value. The author has added it with clever casting and expert direction (Roland Pietri, as usual, acting as his assistant). Jean Denis Malcles's decor accents with its uncomfortable, gloomy drawing room the leitmotif of the script.

This week's top single in the United States is "Tonight's the Night" by Rod Stewart, and in Britain, "Under the Moon of Love" by Showaddywaddy.

—FRANK VAN BRADLE

FBI Agents Recover Stolen Dutch Paintings

LOS ANGELES, Dec. 9 (UPI).—Seven paintings stolen from a Dutch art collector last August have been recovered by the Federal Bureau of Investigation, but an early Rembrandt, taken in the same burglary, is still missing.

Two residents of the Netherlands, arrested after an attempt to sell the seven paintings valued at \$100,000 to undercover agents for \$150,000, were arraigned yesterday on charges of receiving and concealing stolen property transported through interstate and foreign commerce.

Peter Johannes Rombouts, 46, was held on \$75,000 bail and Gus Kouvorhoven, 34, was held on \$50,000 bail.

The eight paintings, including the Rembrandt valued at \$100,000, were taken Aug. 19 from a home in the Dutch town of Beblit.

DANCE AND OPERA IN FRANCE

Béjart's Molière, Ginastera's 'Rodrigo'

By David Stevens

PARIS, Dec. 9 (UPI).—With "Le Molière Imaginaire," Maurice Béjart has produced one of his full-length, biographical, omnibus spectacles, taking off on the life and times of the historical patron of the Comédie-Française, where this new show has just had its first performances.

Béjart calls it a ballet-comédie, an inversion of the term *comédie-ballet*, invented to describe some of Molière's collaborations with Lully, and intended to suggest a preponderance of dance over the spoken word. It is a good show for the end of the year for here Béjart is almost consistently affectionate and lighthearted, and he is aptly abetted by the original score, exuberant, adroit and undemanding, by the Italian composer Nino Rota, who is perhaps best known for his film collaborations with Fellini and Visconti.

Molière is represented as a child, then by the dancer Bertrand Pie, then by the astonishing former Comédie-Française actor Robert Hirsch, who doubles as a kind of nonstop master of ceremonies and, even with a charley horse disabling one leg, very nearly takes away the dancing honors from Béjart's own troupe.

The stage action involves a mixture of real characters from Molière's life and the hardly less real characters from his plays, and it slips imperceptibly from the real to the allegorical to the theatrical. Death is on hand too, from the beginning, in the white-faced, piano-playing person of Elizabeth Cooper, but when Molière has his fatal attack in the famous chair, death's triumph only lasts a moment until Hirsch leaps up and joins in the buoyant finale.

There is plenty of dance, from solos to pas de huit and most of the combinations in between, although Béjart's invention here is not at its best. The strongest impressions were made by the girl Rita Poelvoorde as Mlle. de Brie, Bertrand Pie as the young

Molière, and Jorge Donn as the Sun King himself, doubtless cutting a finer figure and dancing better than the original ever did. The sets and costumes of Joëlle Roustan and Roger Bernard were colorful and amusing.

Opera Premieres in Europe

STRASBOURG (UPI).—Alberto Ginastera's first opera, "Don Rodrigo," which had its first performance in 1964 in Buenos Aires and which was Plácido Domingo's earliest big success in the tenor title part in New York in 1968 (it was the first opera to be performed in Lincoln Center), has just been given its European and French-language premiere here in a co-production by the Opéra du Rhin and the Lyons Opera.

The Argentine composer seems to have been captivated by the colorful, quasi-historical subject in much the same way that Verdi was attracted to his super-romantic stories. Rodrigo, the last Visigoth king of Spain, seals his eventual doom at the outset by peeking in a forbidden coffer to solve the mystery of the Cave of Hercules. The message is that he will be the last of his line, and the agent of his downfall is Florentina, the daughter of one of his lieutenants, who turns against him after Rodrigo's seduction of his daughter. History, mystery and sex—who could ask for more.

But if Verdi is Ginastera's spiritual guide, his intellectual guide seems to be Alban Berg, and his musical language is a richly colored use of Schoenbergian dodecaphonism. Like "Wozzeck," "Don Rodrigo" is nothing if not highly organized. There are three acts, each with its own character (epic lyric, dramatic), and each act has three self-contained scenes with its own subtitle and formal musical structure. Dramatically and musically, the opera is shaped with careful symmetry, and the singers are given heroic bel canto passages to sing as well as the entire Schoenbergian array of spoken and semi-spoken lines. It is a mighty effort to create

a Verdian atmosphere with modern means, and it almost works, although not quite—at least in this honorable but earth-bound production. Ginastera draws some marvelous effects from a huge orchestra, but the climaxes never quite live up to the tense anticipation; the end impression of the music is more of calculation than inspiration. Some of the composer's more spectacular effects were simply not realized here, such as the stereophony of horns and per-

cussion intended to be placed in the auditorium. Louis Erhard, singing and René Allou, doubling as the audience, rather than the larger-than-life work demands. The Strasbourg company staged the lower roles admirably, but Gérard Quenec in the title role sang with colorless tone, while Galina Savova as Florentina displayed ranging top notes, but some very erratic vocal production below that. Claude Schnitzler was the excellent conductor.

LONDON

Strauss for the Holidays

By Henry Pleasants

LONDON, Dec. 9 (UPI).—The English National Opera traditionally greets the Christmas season with light-hearted fare, and does so this year with a tasteful and surprisingly idiomatic production of Johann Strauss's "A Night in Venice," introduced last night at the Coliseum.

That an English company can come so close to the Viennese idiom is less surprising when one examines the credentials of those involved. Producer is Murray Dickie, the Scottish tenor whose long career at the Vienna State Opera was rewarded with the title of *Kammersänger*. He is also responsible for the adaptation of an originally written libretto and for a consistently intelligible and singable translation. The designer is Walter von Höslin, whose experience of the Viennese theater dates back to his association with Max Reinhardt at the Volksoper in the mid-thirties. And the conductor is the late Josef Krieger's younger brother Henry.

If what we get is more style than substance, the fault lies with the original librettists, Zell and Genée, and, to a considerable extent with Strauss himself, who found 19th-century Vienna less congenial to his musical genius than 19th-century Vienna. He was aware of the opera's deficiencies and is said to have made seven revisions. But the Krieger substitution, and the gathering of a performing company, was the last of the Strauss family's efforts. Strauss's last opera, "The Last Days of Pompeii," was introduced last night at the Coliseum.

JARPS & FLATS

STANBOL—Singers from six states came out with the top prize in the first Turkish International Song Festival last week. They were: Oscar Harris of Netherlands, who got the prize; Neco of Turkey, first runner-up; and Lily Ivanova of Bulgaria, second.

NEWYORK—Milt Buckner is at the Forum Club for the month of December. Tap dancer Jimmy "Big Boy" Bland will give a concert on Dec. 15 at the Cultural Strömbecke.

RUSSIA—The Stars of the Black Nativity will give a concert on Dec. 15 at the Cultural Strömbecke.

UNION—Wishbone Ash and Sutherland Brothers will be at the Olympia Dec. 5 at 10 p.m.

Golden Gate Quartet, coming its tour of Germany, will be at the Olympia Dec. 10 at the Olympia.

burzentrump; in Hannover the following night for a TV appearance in the first Turkish International Song Festival last week. They were: Oscar Harris of Netherlands, who got the prize; Neco of Turkey, first runner-up; and Lily Ivanova of Bulgaria, second.

LONDON—George Melly, John Chilton's Feetwarmers and the Ronnie Scott Quartet open at Ronnie Scott's on Dec. 13 for three weeks, replacing Linda Lewis. Frankie Vaughan is at the Talk of the Town.

BERLIN—The Delta Rhythm Boys are at the Piskartopet through Dec. 18.

PARIS—Orsavan, Kevin Ayers and Son Machine will be at the Palais des Sports Dec. 13 at 7 p.m. Wishbone Ash will be at the Pavillon de Paris Dec. 17 at 8 p.m. Singer Marc Ogeret, accompanied by a young pop group, is appearing nightly at the Théâtre Hébertot through Dec. 11. Ogeret interprets the poems of Louis Aragon and Pablo Neruda. Son Machine is at the Hôtel Midland, Rhoda Scott and Bill Elliott at the Club St. Germain, Michael Silva and Christian Donnadieu at the Lady 1, Memphis Slim and Jerome Van Jones at the Trois Médailles and Jimmy Gourley at the Caveau de la Montagne.

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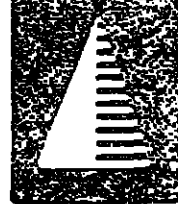
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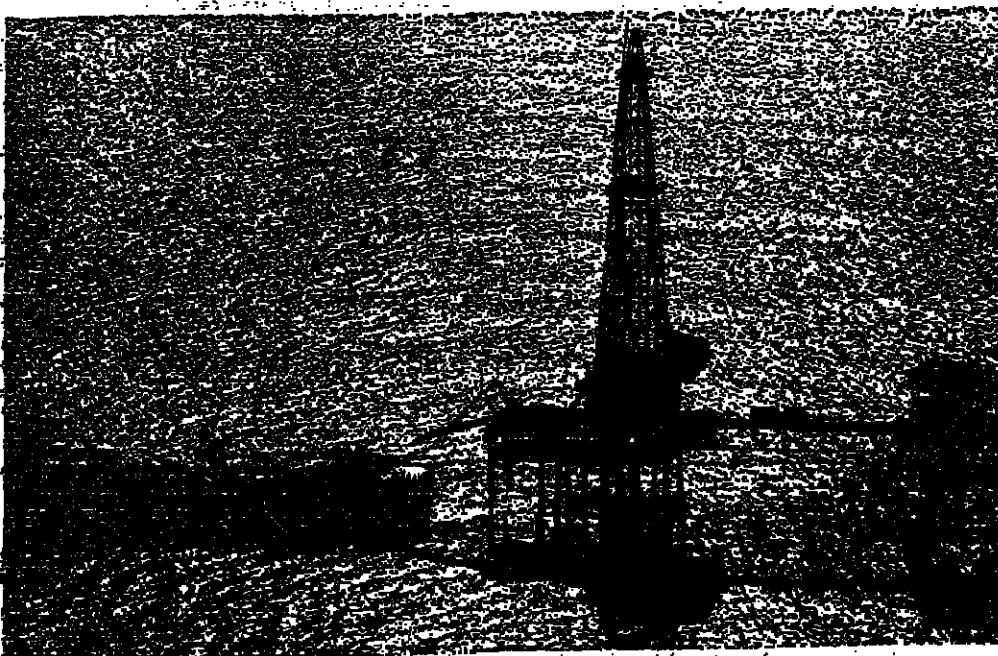
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NYSE Nationwide Trading (3 O'clock) Dec. 9

1976 - Stocks and Div. in \$	1976 - Stocks and Div. in \$	1976 - Stocks and Div. in \$	1976 - Stocks and Div. in \$	1976 - Stocks and Div. in \$	1976 - Stocks and Div. in \$
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London 135.00 135.00 -0.25

Paris 125.50 125.50 -0.25

U.S. dollars per ounce.

Eurocurrency Interest Rates

German Swiss Sterling

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3 M. 4 1/2-4 3/4 4 1/2-4 3/4 4 1/2-4 3/4

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International Stock Indexes

1976 1975

Amsterdam 35.50 34.40 105.66 105.66

Brussels 135.00 135.00 -0.25

Frankfurt 135.00 135.00 -0.25

London 30 318.40 225.00 420.80 245.30

Paris 135.00 135.00 -0.25

Tokyo 135.00 135.00 -0.25

Zurich 135.00 135.00 -0.25

Tokyo Exchange

Dec. 9, 1976 Price Yen

Asahi Glass 340 340 340 340

Canon 370 370 370 370

Fuji Photo 720 720 720 720

Honda Motor 210 210 210 210

Hitachi 210 210 210 210

Japan Air 210 210 210 210

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European Markets

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AKZO 27.10

Alber Heijn 30.00

Amstel 30.00

Bank 30.00

Beck's 30.00

Breda 30.00

Bruggen 30.00

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Flash... Paris Bourse

DEC. 8, 1976

	INDUS.	HIGH-LOW	PRICE DEC. 8	MON-TUES. HIGH-LOW	P/E	YIELD (%)	EARN. PER SHARE 75-76	SHRS. OUTST. (000)	LATEST COMPANY NEWS
AQUITAINE	Petrol.	397 - 250.50	266	261.50 - 275	3	8.2	43.42 - 49.14 - 65.80	9,540	Special meeting Dec. 21 to re- Amst. Statutes, changing econ.
ASSUR. GROUPE PARIS	Insurance	316 - 207.50	211	214.50 - 208.50	146	5.2	9.18 - 12.27 -	2,384	Free share (1 for 10) Oct. 7 div. 77 details new share dist.
BSN GERVAIS DAN...	Glass, food	704 - 457	495.10	472 - 479	-	3.1	102 - 20.30 - 24.30	2,332	Group: 10% cash div. exp. ex- ceeded that of 1975.
CHARGEURS REUNIS...	Shipping	308 - 160.50	164.50	167.50 - 165	10	6.7	9.30 - 16.94 - 14.41	1,844	CIC Airline Charters Reun 2 1/2% 75-76 div. 78-79 (100% share)
CHIMIQUE ROUTIERE	Public works	152 - 96.20	94	92 - 90	5	7.3	9.24 - 13.10 - 10.00	1,472	Int. 7% 75-76 div. 78-79 (100% share)
Cie. Gl. ELECTRICITE	Electr.	374 - 233	239.80	240 - 227	12	6.7	37.70 - 27.40 - 26.64	5,044	Over 20% 75-76 div. 78-79 (100% share)
CREDIT COMM. FRAN.	Bank	161.50 - 95	102.80	100 - 97.20	6	6.8	13.02 - 10.28 - 15.85	5,728	C.C.F. new listed on Bourse after 1975 div. 78-79 (100% share)
CREDIT INDUS. COM.	Bank	147 - 85.70	95.50	97.50 - 96.50	9	6.6	8.43 - 4.77 - 10.84	4,578	Av. of Sept. 30, 76. CIC Group new shares issued: 100,000
CREDIT DU NORD ...	Bank	95 - 56	40	37.20 - 36.20	9	9.2	4.72 - 2.51 - 4.44	4,400	Dividend: 10% 75-76 div. 78-79 (100% share)
CREUSOT-LOIRE	Heavy ind.	173 - 82.40	89.90	89 - 87	9	8.9	15.08 - 10.13 - 9.42	8,440	Dividend: 10% 75-76 div. 78-79 (100% share)
EUROFRANCE	Holding	207 - 145	120	123.10 - 122	5	9.2	(non dividend.) 36.30	3,700	Oct. 1, 75-76 div. 78-79 (100% share)
FERROD S.A.F.	Autom. Equip.	498.90 - 315	351	348.50 - 335	12	5.0	67.19 - 22.02 - 37.20	1,460	Int. 7% 75-76 div. 78-79 (100% share)
FRANCAISE PETROLES	Petrol.	153.50 - 90.10	102.50	102 - 96.80	3	9.2	41.45 - 46.21 - 34.00	13,800	Cash flow increased from 1975. The first half of 1976 to 1.34.
GEN. OCCIDENTALE...	Holding	192 - 168.50	172	172 - 171.50	-	2.9	-	5,435	Financial year closed: turned over 14.00% 75-76 div. 78-79 (100% share)
IMETAL	Mining	134.20 - 76.10	87.50	89.50 - 87	36	8.4	7.30 - 17.97 - 2.44	7,040	Int. 7% 75-76 div. 78-79 (100% share)
MOET-HENNESSY	Beverages	621 - 397	411	401 - 440	40	1.8	11.77 - 11.00	3,192	7% 75-76 div. 78-79 (100% share)
NORD (Compagnie du)	Holding	28.30 - 19.80	20.25	20.20 - 20.05	20	6.9	2.05 - 6.14 - 0.99	15,410	Last year from 1975: 10% 75-76 div. 78-79 (100% share)
PECHELBRONN	Hold. (th.)	80.70 - 44	47	47.50 - 47	-	6.7	11.71 - 5.53 - 10.76	5,370	20% of capital obtained in 1975 from 1975 div. 78-79 (100% share)
PECHINEY-UG. KUHLM.	Chem. min.	119 - 45	75	74 - 71.50	-	6.7	14.30 - 29.50 - 4.30	51,140	Carbon: 1975 div. 78-79 (100% share)
PSA PEUGEOT-CITR.	Holding	409.50 - 188	207	207 - 202	4	4.3	17.04 - 30.34 - 54.70	7,810	Sept. 30 75-76 div. 78-79 (100% share)
RAFFINAGE (Cie. Fr.)	F. steel	157.50 - 64	73	71.40 - 71	-	-	15.84 -	-	Int. 7% 75-76 div. 78-79 (100% share)
REDOUTE	Mail order	723 - 573	580	580 - 514	19	2.6	35.94 - 28.87 - 51.14	974	Full-year 1975: 10% 75-76 div. 78-79 (100% share)
ROBECCO	Investm. Comp.	571.70 - 310	354	351.20 - 351	-	3.5	(not relevant)	22,570	1974-75: 10% 75-76 div. 78-79 (100% share)
SAINT ROSSIGNOL	Ski manuf.	1980 - 1480	1908	1890 - 1875	37	1.2	64.61 - 21.26 - 52.20	264	April-Sept. 78 turnover = 100% vs. 126.62 MF in '78 (+30.5%)
SAZ (Cie. Financ.)	Holding	284.70 - 190.50	207	207 - 199	5	7.7	55.26 - 44.00 - 38.80	8,479	Expected 1976 net profit increase 1976 (possible further dividend)

P/E calculated on '74 earnings; all others on '75.

PARIS, FRIDAY, DECEMBER 10, 1976

Page 9

an Firms to Plan Cuts

to Decline
1st Quarter

Dec. 9 (AP-DJ).—Japan's economic growth is expected to decline in the first quarter of 1977, according to a survey by the Japanese Economic Planning Agency. The survey, which is based on data from the first quarter of 1976, shows that the growth rate of the Japanese economy was 4.8 per cent in the first quarter of 1976, compared with 4.5 per cent in the fourth quarter of 1975. The survey also shows that the growth rate of the Japanese economy is expected to decline to 4.5 per cent in the first quarter of 1977, compared with 4.8 per cent in the fourth quarter of 1976.

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Questions ing French Target

Dec. 9 (Reuters).—The French economic growth is expected to decline in the first quarter of 1977, according to a survey by the French Economic Planning Agency.

The survey, which is based on data from the first quarter of 1976, shows that the growth rate of the French economy was 4.8 per cent in the first quarter of 1976, compared with 4.5 per cent in the fourth quarter of 1975. The survey also shows that the growth rate of the French economy is expected to decline to 4.5 per cent in the first quarter of 1977, compared with 4.8 per cent in the fourth quarter of 1976.

Company Report

Company	1976	1975
Esmark	1,200.00	1,210.00
Esmark	23.51	23.02
Esmark	1.24	1.22
Esmark	5,300.00	4,700.00
Esmark	22.54	20.25
Esmark	4.49	5.15

U.S. Weighing Options On Sterling Balances

By Edwin L. Dale Jr.

WASHINGTON, Dec. 9 (NYT).—U.S. officials are weighing a major international effort to cope with the perennial problem of Britain's sterling balances, which are a major drain on the U.S. Treasury.

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IMF Plans To Sell Gold Each Month

\$137 an Ounce Set
At the Latest Sale

WASHINGTON, Dec. 9 (NYT).—The International Monetary Fund, which yesterday sold 780,000 ounces of gold at a common price of \$137 an ounce, announced that it is changing its auction to a monthly basis from the present system of sales every six weeks.

The IMF said it will hold its next auction on Jan. 26, when it will auction a total of 780,000 ounces of the metal at a common price.

Starting in March, the monthly auctions will be held on the first Wednesday of each month and 500,000 ounces of gold will be sold at each auction, the IMF said.

Details of the monthly auction will be made about three weeks before each sale, and the pricing method will remain unchanged for three consecutive auctions, the IMF said.

Bids from successful buyers yesterday ranged between \$137 and \$150 an ounce and averaged \$137.28 an ounce, the IMF said.

It received bids for a total of 4,307,200 ounces, up from the 4,241,000 ounces at the fourth auction held Oct. 27, when successful bidders paid between \$118.50 and \$119.05 an ounce.

Gold was fixed in London this afternoon at \$135.65 and closed at \$135.50 to \$137, up from \$135.70 yesterday.

Yesterday's sale, the fifth in a series of scheduled auctions, raised about \$75 million for the IMF's trust fund to avoid developing nations. So far, about \$320 million has been raised for the trust fund.

The IMF also said it expects the first in its four yearly gold redemption operations will be completed by the first half of January.

Under the agreement reached in Jamaica, IMF members will be able to buy 625 million ounces of gold at the official price of \$350 an ounce, or \$22.22 an ounce in proportion to their quotas within the IMF.

A total of 25 million ounces of gold will be returned to members during the four-year span of the plan.

The cash surplus came to light as one of the key features in the latest proposal advanced by city and state officials to meet nearly \$1 billion in note payments. The notes had been subjected to a year-long moratorium that the state's highest court declared unconstitutional last month.

The city said it had a significant portion of outstanding short-term notes as demanded by the State Court of Appeals.

The cash surplus came to light as one of the key features in the latest proposal advanced by city and state officials to meet nearly \$1 billion in note payments. The notes had been subjected to a year-long moratorium that the state's highest court declared unconstitutional last month.

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FINANCIAL NEWS AND NOTES

Rolls Royce Wins Soviet Order

A consortium headed by Rolls Royce (1971) Ltd. has won a \$60-million order for 45 gas turbine engines for a new 500-mile pipeline in the Soviet Union. The consortium, Coborow Ltd., also includes the U.K. units of the U.S. firms Cooper Industries Inc. and Williams Cos. The jet turbines used to pump the gas from the western Siberian fields to Chelyabinsk in the Ural will be built by Rolls Royce. Most of the pumping equipment will be constructed by Cooper and overall coordination for installation of the system will be handled by Williams. Coborow hopes to receive further orders for other power stations along the 18,000 miles of pipeline expected to be laid in the Soviet Union over the next five years.

Daimler Sees Record Sales, Net Up

Daimler-Benz group sales should grow by 2 billion Deutsche marks this year to more than 23 billion DM, an all-time high, while earnings should exceed last year's 310 million DM, reports Joachim Zahn, management board chairman. Automobile production is expected to increase 5.7 per cent to 370,000 units for the year, another all-time high. The order inflow has continued strong, Mr. Zahn notes, so that production in 1977 should increase to about 400,000. The company's capital spending next year will be focused on expanding production capacity. The firm's five-year investment plan calls for expenditures of 5 billion DM to reach auto production capacity of 450,000 by 1980. Commercial vehicle production should be up 7 per cent in the year, to 246,000 units. Domestic group sales for the year should total more than 19 billion DM, up 11.1 per cent from the previous year. Autos should make up about 48.5 per cent of sales against 45.5 per cent, against 50.1 per cent. World turnover is expected to increase 10.6 per cent to 23 billion DM.

U.S. Stock Markets Agree to Link Trading

By Jack Egan

NEW YORK, Dec. 9 (WP).—U.S. stock exchanges agreed yesterday, as expected, to a proposal to link their market places to form the basis of a national market system.

The agreement represents a modest and inexpensive approach to reaching a national market system, which Congress mandated in legislation passed in 1975. The emphasis is on maintaining the present autonomous operation of individual exchanges, but the agreement would link them through a communications system for the first time.

The proposed system is also an alternative to far more ambitious and expensive projects for a computerized central execution system that would handle most routine trades automatically. Some persons fear those projects would spell the end of the country's exchanges.

Representatives of the New York American, Midwest, Pacific, Philadelphia and Boston stock exchanges signed the agreement yesterday. The pact must still be ratified by their boards. Also signing was the head of the National Association of Securities Dealers, which represents over-the-counter dealers in exchange-listed securities.

The agreement will be submitted to the National Market Advisory Board next week for endorsement as the preferred way to proceed toward a national stock market. The NMAAB was formed by the Securities and Exchange Commission to advise it on how to proceed toward a national market, and the SEC must give ultimate approval to any plan.

The proposed system is expected to cost \$12.5 million and will take 12 to 15 months to put into place. Securities Industry Association president Edward O'Brien, chairman of yesterday's meeting, estimated the SIA is the brokerage industry's trade group, and has been instrumental in getting the exchanges together on this issue.

Under the proposal specialists making a market in a particular stock will be able to communicate with their counterparts on other exchanges for the first time.

Each market maker, in addition, will display his current bid and ask quote on a stock via a composite quotation system, allowing brokers to know where the best execution price is available for their customers on a particular trade.

Paris Bourse Struck

The Paris Bourse was closed Thursday due to a strike by administrative workers.

Prices Rise On Soaring N.Y. Volume

But Advance Cut
By Profit-Taking

NEW YORK, Dec. 9 (NYT).—Prices rallied on the New York Stock Exchange today as volume hit its highest level since September. However, profit-taking trimmed some of the gain.

The Dow Jones Industrial Average closed up 7.58 points at 2,504.44 at 2 o'clock, but fell to 2,501.10 by 4 o'clock.

Some 21.8 million shares were traded compared with 21.6 million yesterday.

Second-tier issues again led the way, but analysts said the market's recent resistance to selling pressure attracted institutional activity today.

"It's all a matter of the market being its own best advertisement," commented Larry Wachtel of Ruchel-Huber Street.

Analysts also saw the market's confidence in President Carter's economic policies as a factor in the rally. "There is a feeling of some of the market's confidence in what Carter's attitude toward business is," said Michael Gordon of Dreyfus Corp.

Advancers outnumbered decliners by about 1,600 to 1,000.

The advance carried over from the previous session, when the Dow Jones Industrial Average rose 1.14 points to 2,496.86.

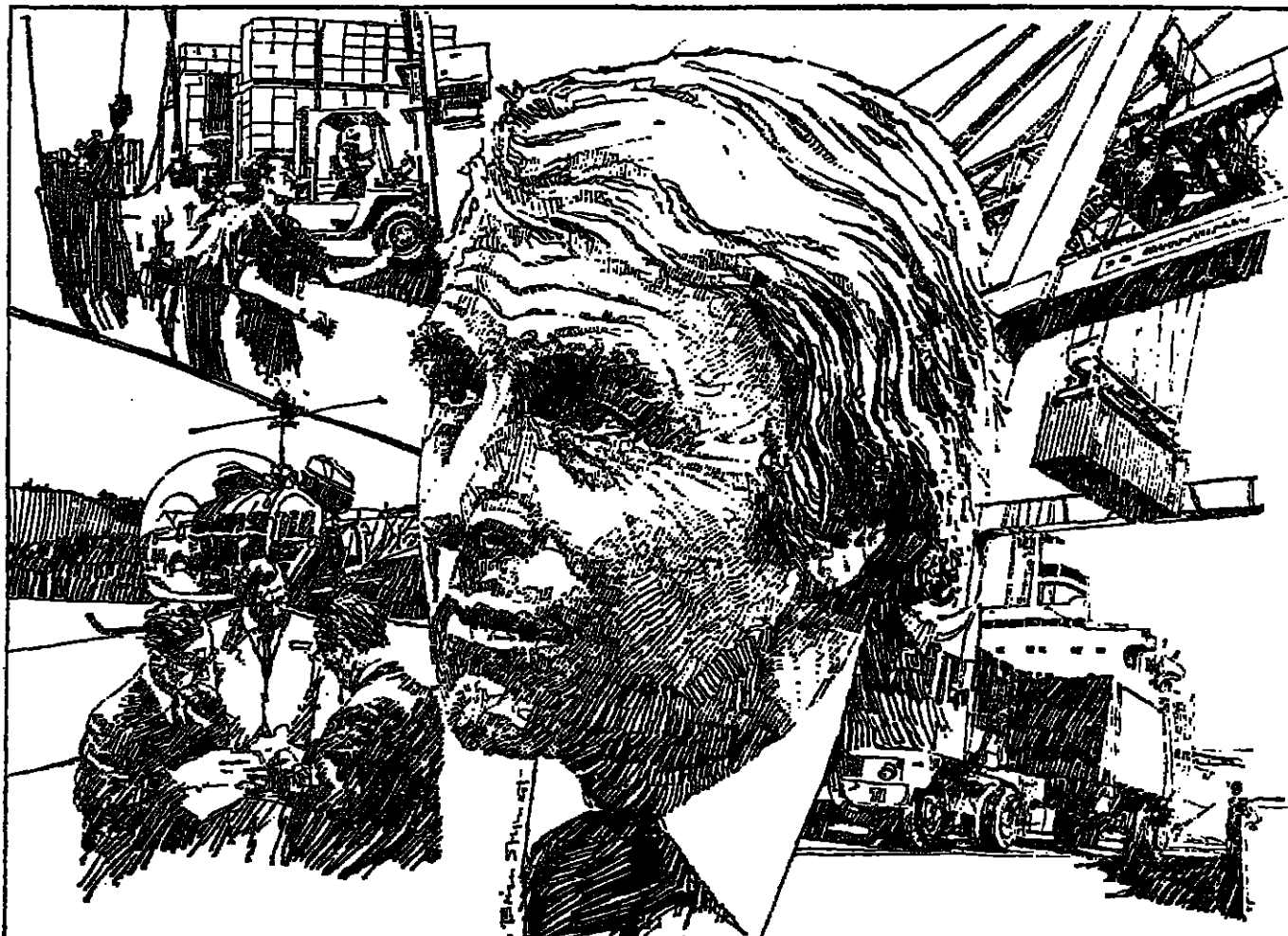
Among the active issues, American Telephone & Telegraph rose 1.14 points to 61.14, General Motors 1.14 to 32.14, Sony 1.14 to 2.14, and Dow Chemical 1.14 to 2.14.

Factory Profit Margins In U.S. Fall 10 Per Cent

WASHINGTON, Dec. 9 (AP-DJ).—Factory profit margins fell 10 per cent in the third quarter from the second period, the Federal Trade Commission said today.

In the second quarter, manufacturers' profit margins had increased more than 15 per cent from the opening three months of the year. Profits in the latest period fell to an average 5.3 cents for each dollar of sales from 5.9 cents in the prior quarter.

The annual rate of return on stockholders' equity dropped to 12.7 from 15.7 per cent.



The man with exceptional goals needs an exceptional bank.

What makes Trade Development Bank exceptional? To start with, there is our policy of concentrating on things we do unusually well. For example, trade and export financing, foreign exchange and bank notes, money market transactions and precious metals.

Geographically, too, we work mainly in areas where we have something special to offer. This includes the U.S.A. (our U.S. affiliate, Republic National Bank of New York, is now one of America's 60 largest banks). It also includes a number of

out-of-the-way countries which, frankly, many other banks lack the first-hand knowledge to tackle properly.

What's more, we keep our back-office systems running ahead of our business. You don't notice this directly, but it shows up in quicker decisions, less red tape, fewer errors.

Serving our clients well has helped us grow uncommonly fast. Today, we're big enough to provide most of the sophisticated facilities of the international banking giants—but lean enough not to keep you

waiting for committees to deliberate. As part of the Trade Development Bank Holding Group (\$2.9 billion in assets, \$258 million in capital funds employed), we're ready to serve you in most of the world's financial centers.

Key Group offices: Geneva, London, Paris, New York (Republic National Bank of New York). Other offices in Buenos Aires, Caracas, Chisasso, Frankfurt, Luxembourg, Mexico City, Nassau, Rio de Janeiro, São Paulo.

Trade Development Bank

Shown at left, head office of Republic National Bank of New York, U.S. subsidiary of the Trade Development Bank Holding Group. The 59th largest bank in the United States, ranked by order of deposits, Republic is one of America's fastest-growing financial institutions.

Banque Bruxelles Lambert The person-to-person bank.

The person-to-person bank.

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1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427
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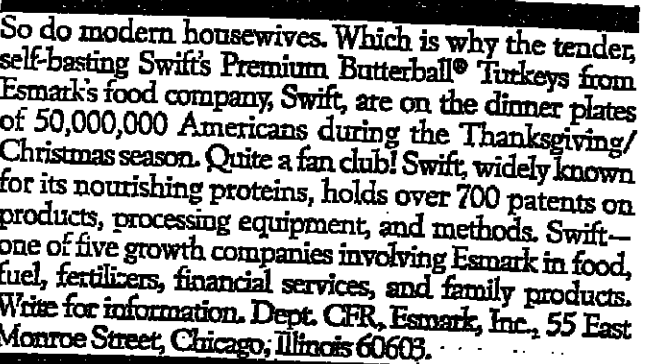
THE BOARD OF DIRECTORS.

		High	Low	Last	Chge
10636	LI M A	512	512	512	
620	Martini	512	512	512	
8782	Moore	508	508	508	
2300	Murphy	508	508	508	
423	N. Trapp	508	508	508	
520	Norcia	508	508	508	
7073	Noranda	513	513	513	
2013	Norcen	513	513	513	
909	NTECM B W	513	513	513	
139	Norisco W	513	513	513	
100	O'Connell	513	513	513	
600	O'Grady A	513	513	513	
3600	O'Leary A	513	513	513	
7521	Parmour	513	513	513	
1422	PanCan	513	513	513	
121	Parrish V	513	513	513	
6200	Perrini	513	513	513	
200	Perrini B	513	513	513	
115	Pine Range	513	513	513	
1523	Pitts	513	513	513	
10	Placer	513	513	513	
10	Placer A	513	513	513	

	High	Low	Last	Chge
240 Alcoma a	\$ 18	17 1/2	17 1/2	-
101 Asbestos	\$ 23 3/4	23 1/4	26 1/4	+
2538 Basic Mont	\$ 14	14	14	+
2100 Basic Res	\$ 8 a	8 1/2	8 1/2	+
400 Can CermLa	\$ 8 1/2	8 1/4	8 1/4	+
1000 Induct	\$ 2 1/2	2 1/4	2 1/4	+
500 Con Balb	\$ 2 7/8	2 7/8	2 7/8	+
100 Dom Bridge	\$ 17 1/2	17 1/2	17 1/2	+
7254 Dom Text	\$ 7 1/4	7 3/4	7 3/4	+
10000000 Col	\$ 14 1/2	14 1/2	14 1/2	+
500 Imasco	\$ 14 1/2	14 1/2	14 1/2	+
600 Molson B	\$ 14	13 1/2	13 1/2	-
9522 Poyce Co	\$ 10 1/4	10 1/4	10 1/4	+
1178 Royal Bank	\$ 24 1/2	24 1/2	24 1/2	+
1225 Rye Rust a	\$ 16 1/2	16 1/2	16 1/2	+
600 Stenberg A	\$ 13	13	13	+
1000 Steinhag	\$ 275	275	275	-

WASHINGTON, Dec. 9 (Reuters).—Liabilities of U.S. commercial banks to their foreign branches fell \$569 million to \$4.77 billion in the week ended Dec. 1, the Federal Reserve Board reports. This was \$1.86 billion higher than the level of Eurodollar borrowings in the year-ago week.

**Yamaichi International (Deutschland)
GmbH**



1976 — Stocks and Div in \$		S&P 500, High Low Quot. Close		1976 — Stocks and Div in \$		S&P 500, High Low Quot. Close		1976 — Stocks and Div in \$		S&P 500, High Low Quot. Close	
High	Low			High	Low			High	Low		

<p>Federal Deposit Insurance Corporation, as Receiver</p>	<p>In the Matter of American Bank & Trust Company</p>	<p>NOTICE Pursuant to Section 68 of the New York Banking Law</p>	<p>WHEREAS, on September 15, 1976, the Superintendent of Banks of the State of New York took possession of the business and property of AMERICAN BANK AND TRUST COMPANY, pursuant to Section 68 of the New York Banking Law, and appointed the FEDERAL DEPOSIT INSURANCE CORPORATION as receiver of the said bank under the supervision of the Superintendent of Banks for the purpose of liquidating the affairs of the bank.</p>
			<p>WHEREAS, pursuant to a Purchase and Assumption Agreement dated September 15, 1976, between the FEDERAL DEPOSIT INSURANCE CORPORATION, as Receiver, and Bank Leumi Trust Company of New York, all deposits, time and savings deposits as and to the extent shown on the books of BANK LEUMI TRUST COMPANY at September 15, 1976, have been assumed by Bank Leumi Trust Company of New York and said assuming bank undertakes to pay, perform, satisfy and discharge such liabilities.</p>
			<p>NOTICE is hereby given to all persons who may have claims against AMERICAN BANK & TRUST COMPANY, with its main office at 645 Fifth Avenue, New York, New York, or branches thereof, that they must file their claims and evidence to present such claims to the FEDERAL DEPOSIT INSURANCE CORPORATION, as Receiver, and make proper proof thereof, by filing a proof of claim on the restored form, with:</p>
			<p>Federal Deposit Insurance Corporation, as Receiver of American Bank & Trust Company</p>
			<p>P.O. Box 1027 F.D.R., Station New York, New York 10022.</p>
			<p>Copies of a required form of proof of claim can be obtained upon written request hereafter sent to the Federal Deposit Insurance Corporation, as Receiver, at the address specified above, or after November 15, 1976, at the office of the Federal Deposit Insurance Corporation, 430 Park Avenue, New York, New York. All written requests for the form of proof of claim must be received no later than October 31, 1976.</p>
			<p>All claims must be presented, and proof thereof made, no later than March 31, 1977. No claim presented after such date can be accepted, and persons bringing in the proof of their claims. Failure to so demand shall be deemed a waiver and abandonment of any right to such priority of payment.</p>
			<p>Dated: October 23, 1976.</p>
			<p>FEDERAL DEPOSIT INSURANCE CORPORATION, as Receiver of AMERICAN BANK & TRUST COMPANY By: R. H. Hoffman, Liquidator-in-Charge.</p>

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disposed of by the following methods:-

1. They may be subscribed for or redeemed every Thursday either through a recognised dealer, or through Pierson, Heldring & Pierson N.V. in Amsterdam.

**New York Industrial
Index Fund N.V.**
-the only investment
that's performance-linked to
the Dow Jones Industrial Average

To New York Industrial Index Fund N.V. c/o
Pierson, Heldring & Pierson N.V. Herengracht 214,
Amsterdam.

or
Credit Suisse White Weld Limited, 122 Leadenhall Street,
London EC3V 4QH.
Please send full details of New South Industrial Index Fund to

= $\frac{\text{POTENTIAL GROWTH OF THE BUSINESS OF THE FIRM} \times \text{PERCENTAGE OF THE FIRM'S POTENTIAL GROWTH THAT THE FIRM HAS}$

To New York Industrial Index Fund N.V. c/o
Pierson, Heldring & Pierson N.V. Herengracht 214,
Amsterdam.

= $\frac{\text{POTENTIAL GROWTH OF THE BUSINESS OF THE FIRM} \times \text{PERCENTAGE OF THE FIRM'S POTENTIAL GROWTH THAT THE FIRM HAS}$

By reading across this table of yesterday's closing foreign exchange rates, one can find the value of the five currencies in the national currencies of the United States. These rates do not take into account bank service charges.

	s	c	m	FF	L. s.	fran.	pes.
Australia	2	5015	4	1160	104	245	654
Belgium	36	91	67	135	18	50	135
France	6	55	19	15	10	16	100
Frankfurt	2	6005	0	9232	—	98	08
London	1	15720	—	—	4	916	08
Netherlands	1	44	14	10	10	10	10
Paris	1	44	14	10	10	10	10
Philippines	4	00	00	35	30	00	00
Spain	1	65	00	00	00	00	00
Sweden	2	48	44	10	10	10	10
Switzerland	2	60	00	00	00	00	00
U.S.A.	1	00	00	00	00	00	00
U.S.A. (gold)	1	00	00	00	00	00	00
U.S.A. (silver)	1	00	00	00	00	00	00
U.S.A. (copper)	1	00	00	00	00	00	00
U.S.A. (zinc)	1	00	00	00	00	00	00
U.S.A. (lead)	1	00	00	00	00	00	00
U.S.A. (tin)	1	00	00	00	00	00	00
U.S.A. (nickel)	1	00	00	00	00	00	00
U.S.A. (iron)	1	00	00	00	00	00	00
U.S.A. (steel)	1	00	00	00	00	00	00
U.S.A. (cotton)	1	00	00	00	00	00	00
U.S.A. (wheat)	1	00	00	00	00	00	00
U.S.A. (corn)	1	00	00	00	00	00	00
U.S.A. (soybeans)	1	00	00	00	00	00	00
U.S.A. (rice)	1	00	00	00	00	00	00
U.S.A. (sugar)	1	00	00	00	00	00	00
U.S.A. (tobacco)	1	00	00	00	00	00	00
U.S.A. (cocoa)	1	00	00	00	00	00	00
U.S.A. (rubber)	1	00	00	00	00	00	00
U.S.A. (oil)	1	00	00	00	00	00	00
U.S.A. (gasoline)	1	00	00	00	00	00	00
U.S.A. (coal)	1	00	00	00	00	00	00
U.S.A. (lumber)	1	00	00	00	00	00	00
U.S.A. (timber)	1	00	00	00	00	00	00
U.S.A. (paper)	1	00	00	00	00	00	00
U.S.A. (textiles)	1	00	00	00	00	00	00
U.S.A. (clothing)	1	00	00	00	00	00	00
U.S.A. (shoes)	1	00	00	00	00	00	00
U.S.A. (furniture)	1	00	00	00	00	00	00
U.S.A. (electronics)	1	00	00	00	00	00	00
U.S.A. (automobiles)	1	00	00	00	00	00	00
U.S.A. (aircraft)	1	00	00	00	00	00	00
U.S.A. (ships)	1	00	00	00	00	00	00
U.S.A. (trains)	1	00	00	00	00	00	00
U.S.A. (buses)	1	00	00	00	00	00	00
U.S.A. (trucks)	1	00	00	00	00	00	00
U.S.A. (tractors)	1	00	00	00	00	00	00
U.S.A. (excavators)	1	00	00	00	00	00	00
U.S.A. (bulldozers)	1	00	00	00	00	00	00
U.S.A. (cranes)	1	00	00	00	00	00	00
U.S.A. (forklifts)	1	00	00	00	00	00	00
U.S.A. (pallets)	1	00	00	00	00	00	00
U.S.A. (concrete)	1	00	00	00	00		

Société Anonyme, en liquidation.
10 a, Boulevard Royal, Luxembourg.
R.C. B. Luxembourg 19745

Conformément aux décisions prises par l'assemblée générale extraordinaire des actionnaires qui s'est tenue à Luxembourg, le 7 décembre 1976, le collège des liquidateurs de la société, en application des instructions qui lui ont été données par la dite assemblée a décidé:

- De mettre en paiement, à partir du 10 décembre 1976 un montant de U.S. \$0,80 par action, payable en espèces contre remise du coupon No 1;
- de distribuer, à partir de la même date, une action Remex N.V. contre remise du coupon No 2.

Le collège des liquidateurs a désigné la Banque de Paris et des Pays-Bas pour le Grand-Duché de Luxembourg, 10a, boulevard Royal, Luxembourg, comme agent payeur chargé d'exécuter les paiements et les opérations d'échange.

Le Collège des Liquidateurs.

— Luxembourg —

**Mutual fund under the laws of
the Grand-Duchy of Luxembourg**

DIVIDEND ANNOUNCEMENT

Pursuant to article 15 of the Management Regulations of the Fund, the Board of Directors of Fundurope Management Company on 28th October 1976, decided to distribute, with respect to the fiscal year ended on 31st September 1976, a dividend to be paid out of the net investment income of the Fund and subject to the net investment income pro rata included in the issue price of the shares.

The dividend was fixed at U.S. \$0.36 per share and will be payable on and after 16th December 1976 to holders of shares issued on and outstanding as of noon (Luxembourg time) on 13th December 1976, which constitutes ex-dividend time.

The dividend will be paid:

- 1) to holders of bearer shares at the offices of the Paying Agent, against tender of coupon No. 3;
- 2) to holders of registered shares and to holders of confirmations through the Paying Agent by transfer or check pursuant to the instructions given to the Paying Agent by holders of such certificates or confirmations.

The Paying Agent
Société Générale Alsacienne de Banque,
15 Avenue Emile Reuter - Luxembourg.

[illegible]

UnNet Corp	50	1			1-16-78
UnNet n	11	1-12	1-22		1-22
UnNet Cp of	39	3			3-3-78
Liberte D.	11	3-4			3-4-78

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